Tuesday, March 13, 1962
Phalguna 22, 1883(Saka)

LOK SABHA DEBATES

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[*March 12 to 26, 1961/Phalguna 21, 1883 to Chaitra 5, 1884* (*Saka*)]

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LOK SABHA SECRETARIAT
NEW DELHI

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GIGIPND—L. S. II—2017 (Ai) L. S. D—15-4-69—045.

LOK SABHA

Tuesday, March 13, 1962|*Phalguna* 22, 1883 (*Saka*).

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

Setting up of Heavy Structural and Vessel Works in India

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*1. { **Shrimati Ila Palchoudhuri:**
Shri D. C. Sharma:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether an agreement has been arrived at between the Government of India and a British firm—Davy Ashmore Limited—for collaboration in setting up of the heavy structural and vessel works in India;

(b) if so, details of the agreement;

(c) details as to its financial implications and production; and

(d) when it is likely to be ready?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). Not yet. The agreement will be finalised very soon.

(c) and(d). The Project which is for the production of 12,500 tons of heavy pressure and other vessels required by Steel, Fertiliser, Oil and similar industries and for 25,000 tons of heavy structural steel work, is estimated to cost about Rs. 12 crores. This will be exclusive of the cost of the residential colony and other ancillary services. It is expected that the Project will be ready in about 3½ years after arrangements are made for technical collaboration and work at site.

Shrimati Ila Palchoudhuri: May I know where this project is to be located?

Shri Manubhai Shah: Near Wardha.

Shrimati Ila Palchoudhuri: The total cost is estimated to be Rs. 15 crores, I understand. Out of that, how much will be spent for housing and township?

Shri Manubhai Shah: About Rs. 5 crores. The project will cost about Rs. 20 crores in all.

Shri Yajnik: May I know whether the British firm will be permanently engaged on this job or they will be on a contract to fulfil a certain amount of work?

Shri Manubhai Shah: They will be our technical collaborators. They will be primarily contractors for the initial start.

Shrimati Ila Palchoudhuri: What will be proportion of Indian money in this collaboration?

Shri Manubhai Shah: One hundred per cent government money, in the public sector.

Chinese Incursions

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*2. { **Shri P. G. Deb:**
Shrimati Ila Palchoudhuri:
Shri D. C. Sharma:
Shri Bhakt Darshan:
Shri Khushwaqt Rai:

Will the **Prime Minister** be pleased to state:

(a) whether there have been any further Chinese incursions into Indian territory after the last statement made in Parliament; and

(b) if so, the details thereof?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). No further Chinese incursions into Indian territory after the last statement made in Parliament have come to Governments' notice except one case of a Chinese border patrol 12 miles from the Chinese check-post on the Chip Chap River about which we had protested to the Chinese on 31st October, 1961. We have lodged a protest in this case and asked the Chinese authorities to issue strict instructions directing that no patrols should be sent out into Indian territory.

Shri P. G. Deb: I would just like to know whether the Chinese have recaptured Longju outpost.

Shri Jawaharlal Nehru: No. There has been no question of capture or re-capture of Longju.

Shri Braj Raj Singh: The point is this. The Prime Minister said in the last session of Parliament that the Government of India have vacated possession of Longju. The point is whether the Chinese have taken possession of it or not, or it is in nobodoy's possession.

Shri Jawaharlal Nehru: The Government of India have not vacated possession of it. The hon. Member has taken ....

Shri Braj Raj Singh: I am sorry, the Government have not taken possession of it.

Shri Jawaharlal Nehru: The Government have not taken possession of it. So far as I know, I am not quite sure, it has not been taken possession of by us. The Chinese retired about three or four miles from it. I presume that that situation still continues.

Shri P. G. Deb: If the Chinese have not recaptured the area, is it then a no-man's land?

Mr. Speaker: Shri Nath Pai:

Shri Nath Pai: Mr. Speaker, this is the first time that a Session of the House opens without our being told about fresh Chinese incursions. We welcome it. May I know, is it the result of the fact that the Chinese have occupied all that they claimed in their maps or whether it is perhaps the result of the new policy of the Government of India to stand firm by our rights?

Shri Jawaharlal Nehru: The Chinese have not occupied all the lands they claimed in their maps even in Ladakh or the Northern sector. In the east, they have not done anything at all. There were very large areas which they claimed in N.E.F.A. and round about and it has not been occupied by them at all—no part of it at all. There has been no major change. What occasionally happens is, as it has happened, in the western sector, their patrol has come. Patrols pass. Our patrols also pass that way. They have passed under protest. There are protests from both sides about this.

Perhaps, if you, Sir, would permit me to go beyond this question, in a connected matter about which I understand you have received notice of two adjournment motions, I might deal with that. In an alleged interview with the Washington Post, evidently, the writer of that interview did not quite understand me. He asked me something about leasing of land. I said the same thing that has been published in the correspondence that about a year and a half ago I made a temporary proposal so that we may discuss the matter further, that they should retire from a large area which they had covered and we should retire from any area which we may have covered according to them and that further I stated then that so far as this route is concerned, it may continue to be used by the Chinese because it is an old route for certain purposes, pending our discussions. That was what I said then. I told what I said a year and a half back which the Chinese had not accepted. This, somehow, was misunderstood by him perhaps.

Shri Hem Barua: On a point of order, Sir, the Prime Minister is pleased to say that we are prepared to retire from areas which we might have occupied. So long, we have been told in this House that we have not occupied any territory and that it is the Chinese who have occupied our territory in Ladakh. Now, may I know how this particular statement of our Prime Minister as a mtter of clarification goes hand in hand with the national policy so far adopted by our Government?

Shri Jawaharlal Nehru: I am merely stating what I said a year and a half ago. We suggested a principle to them that they should retire from any area which we claimed and we should retire from any area which they claimed, they said we had occupied. In actual fact, this applied to a large area which they had occupied as it applied to two or three villages in the Demchok area in northern Ladakh which they claimed as theirs, quite apart from the present incursion: not originally theirs; they said we have occupied. Without going into the question as to who was correct or wrong, we said, you withdraw from that area and we will withdraw from this—ours is a very small area of two villages—and then we sit down to discuss this matter. It was a preliminary step which would open out discussion of these questions.

Shri Nath Pai: As you were pleased to allow him to answer my adjournment motions, may I ask him . . .

Mr. Speaker: Yes. There is no point of order.

Shri Nath Pai: We are glad to have your clarification. May be you are misquoted. The *Washington Post* quoted you as saying that the Government of India would be willing to give a lease which is a very different thing, Mr. Speaker, from allowing somebody to use we would like to know whether the Prime Minister really meant it or he was unfortunately misquoted.

Shri Jawaharlal Nehru: I do not think that the word 'lease' was used at all by me. I think he mentioned it, and he asked, 'Would you be prepared to give it on lease?'. That is why he has got mixed up. In answer to that, I reminded him again of what I said a year and a half ago that I would allow them, pending talks, to use that road because the road was considered to be of importance to them or whatever it was, but that would be subject to what would be decided when we discussed matters.

Shri Nath Pai: During the past eight days, the Chinese have been using their propaganda machinery to tell the world that the firm stand of the Government of India was only an election stunt and that as soon as the elections would be over, the Government of India would give up their present position and come to what they call a reasonable stand, thereby indicating that the Government of India would abdicate their present position. May we know what the position of the Government of India is on this? May we know whether there is no reversal of our policy as indicated; and whether our policy remains what the President indicated in his Address yesterday?

Shri P. G. Deb: I would like to put the question in this form. May we know whether the Prime Minister is thinking of giving away the road constructed by China in the Aksai Chin area on condition that they vacate our territory?

Shri Jawaharlal Nehru: As I have pointed out, I repeated what I said or offered to the Chinese a year and a half ago. It is there in the correspondence. The hon. Member can see that. I was not telling him of any fresh offer that we had made or that we were going to make. It was in a historical sense that I mentioned these matters, and that too, for the time being, so that it might make it easier for us to talk; we said that we would be prepared to talk and discuss all these matters, if they vacated that aggression, and they may continue the use of that road till we decided further about it, and use of that road too for civil purposes.

Shri Hem Barua: May I know whether the attention of Government has been drawn to a statement made by Mr. Jayaprakash Narayan to the effect that the India-China border dispute should be referred for arbitration, and if so, what the Prime Minister's reaction to this suggestion is?

Mr. Speaker: An hon. Member or any politician may make any statement.

Shri S. M. Banerjee: Last time, we got a reply.

Mr. Speaker: I am not going to ask the Prime Minister to go on refuting it or accepting it here.

An Hon. Member: But that is a suggestion from a great man.

Mr. Speaker: Great men may say many things.

Dr. Ram Subhag Singh: May I know whether the statement made to the representative of the *Washington Post* still stands, and it is the firm opinion of the Government of India that that road is of considerable importance to the Chinese, and, therefore, they can continue to use that?

Mr. Speaker: The hon. Member wants to know whether that offer is still open.

Shri Jawaharlal Nehru: I was telling him what happened a year and a half ago. It was rejected by the Chinese authorities then. The question of its standing now or not does not arise; nothing stands to be rejected; it is over. But I cannot say in what form the matter may come up, again, possibly; I cannot definitely say that, but there is no proposal from us to that effect now, because when it was made, it was rejected. And if I may mention again, that suggestion was for a temporary period, to open the door to discussions; after that, it would depend upon what, if any, arrangement was arrived at.

U.S. Arms Aid to Pakistan

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*3. { **Shri P. C. Borooah:**
Shri D. C. Sharma:

Will the **Prime Minister** be pleased to state:

(a) whether the attention of Government has been drawn to the reported statement of President Ayub Khan of Pakistan made at Mardan in the former Frontier Province on the 20th January, 1962 that his country would use U.S. supplied military equipment "to safeguard her independence" in an emergency;

(b) if so, whether this statement was considered as directed against India; and

(c) what was Government's reaction thereon?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) Yes, Sir.

(b) The possibility that the statement in question was directed against India has been considered by the Government;

(c) The reaction of the Government is one of grave concern. The U.S. authorities have assured us that the arms aid to Pakistan is meant for the particular purpose of resisting aggression from Communist countries.

While we accept this assurance, there can be no certainty of how the Government of Pakistan may use this aid.

Our views have been conveyed to the Government of the United States.

Shri P. C. Borooah: May I know whether it is a fact that Pakistan has also used the U.S. military equipment against the Afghans last May, despite the stipulation in the U.S.-Pak Arms Agreement?

Shrimati Lakshmi Menon: I do not know whether it was used against Afghanistan.

Shri Hem Barua: May I seek a clarification arising out of the reply that has been read out by the hon. Deputy Minister? She has said that the U.S. authorities have given us an assurance. Are we to understand that the term U.S. authorities refers to the Government of the U.S.A. or to the U.S. Ambassador stationed here, who gave an assurance like that at a personal level? Which is true?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): This has been said repeatedly at every level in the United States, that, as has been stated in the main answer, these are given for a particular purpose and must not be used for any other purpose. On the other hand, the Pakistan authorities at several levels have stated that they will use them. So, there is a contradiction . .

Shri Hem Barua: They have used them also.

Shri Jawaharlal Nehru: . . .and that is why the matter is of concern to us.

Shri Sadhan Gupta: In view of the obvious fact that the U.S. authorities are not able to prevent Pakistan from using the arms in a way in which, according to them, it is not meant to be used, may I know whether the Government of India have requested the United States not to continue the arms supply to Pakistan, because of the danger to our security?

Shri Jawaharlal Nehru: As was stated in the main answer to the question, we have conveyed to the Government of the United States our views on this question. That, surely, is adequate answer. We cannot order them about to do this or that. That is for them to decide. We only convey our views to them.

Shri S. M. Banerjee: The hon. Prime Minister has stated that the U.S. Government have given an assurance that these arms will not be directed against India. May I know whether the Pakistan Government have given any assurance to the United States in this behalf? On whose behalf have the United States assured us, on their behalf or on behalf of Pakistan?

Shri Jawaharlal Nehru: We have been discussing this; far from giving any assurance, the Pakistan Government have said the exact opposite.

Shri M. R. Krishna: The United States Government have assured the Government of India that the military equipment given to Pakistan will not be used against India. May I know whether the U.S. Government have given the Government of India information as to the type of military equipment supplied to Pakistan and their quantity? Since these are not going to be used against India, the U.S. Government can easily give that information to the Government of India.

Shri Jawaharlal Nehru: I am sorry I have not understood the question.

Mr. Speaker: He wants to know the details of the armaments that have been supplied to Pakistan.

Shri Jawaharlal Nehru: They do not tell us the details. We may get to know something about them. We do, I believe, know something about them, but they do not give details as to what they are going to supply and whether this will be used or that will not be used.

Shri M. R. Krishna: Information about what has already been supplied to Pakistan can be given to the Government of India, since the U.S. Government have told Pakistan that they cannot use this equipment against India.

Mr. Speaker: That does not arise out of the main question.

श्री विभूति मिश्र : यूनाइटेड स्टेट्स आफ अमेरिका का काश्मीर के बारे में जो अब तक का रुख रहा है उसको देखते हुए क्या हमारी भारत सरकार को उनके द्वारा दिये ऐश्योरेंसेज पर भरोसा है ?

श्री जवाहरलाल नेहरू : उन पर मुझे पूरा भरोसा है लेकिन पाकिस्तान क्या करेगा उस पर भरोसा नहीं है ।

Delegation of Goa Chamber of Commerce

*4. **Shri A. K. Gopalan:** Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that a delegation of the Goa Chamber of Commerce met him sometime in February, 1962; and

(b) if so, what are their demands?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) Yes; it was a courtesy call.

(b) The delegation also met officers of the Ministries of the Government of India concerned. Their principal suggestions were (1) that commodities which cannot be supplied from indigenous sources in India should continue to be imported until the economy of these areas had time to adjust itself with that of the rest of India, and (2) that a survey be undertaken of the industrial potentialities of Goa.

Shri A. K. Gopalan: May I know whether as a result of the talk there was any agreement about trade matters with the Goa Chamber of Commerce?

Shrimati Lakshmi Menon: A team has been sent to Goa to survey the industrial potentialities of that area, and after we get their report, steps will be taken to meet the demands.

Shri Indrajit Gupta: May I know whether they also demanded that the export trade from Goa, particularly in regard to natural resources like iron ore and so on, should be permitted to continue just as before the liberation, irrespective of the requirements of our national economy?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I do not know what they demanded. That is the decision that we have arrived at, that it should continue, and the interests of our national economy also point out that it should continue.

Shri Indrajit Gupta: I am referring particularly to the quality of the iron ore found there which is considered to be of superior quality, and our steal plants in this country are reported to be suffering from lack of superior quality iron ore. It is in this context, that I am asking this question....

Mr. Speaker: The hon. Member is arguing.

Shri Indrajit Gupta: No. I am only asking whether these things have been taken into consideration before permitting exports to continue as before.

Shri Jawaharlal Nehru: Firstly, we have decided to honour all past commitments. About the future, the matter will be considered. Secondly, it is our general policy to encourage exports of iron ore. I do not know about the exact point the hon. Member raised concerning superior quality. Part of it may be used here; we will use it. But generally, we want exports to continue because they bring in foreign exchange.

Demonstrations before Indian Embassy in Nepal

*5. **Shri D. C. Sharma:** Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that demonstrations before the Indian Embassy in Nepal took place on India's Republic Day and a protest note was handed over by our Ambassador in Kathmandu to the Nepal Government; and

(b) if so, the nature of reply received?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) Yes, Sir.

(b) The Government of Nepal in their reply stated that the demonstration was not officially sponsored, that its purpose was to present a memorandum to the Ambassador and that the demonstrators did not shout anti-Indian slogans.

Shri D. C. Sharma: May I know what kind of memorandum the demonstrators wanted to present to our Ambassador?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I can only reply to it from memory, because I have not got the memorandum before me, and this happened sometime ago. But it was generally charging the Government of India with giving shelter to Nepalese who had come to India and encouraging them in carrying on activities against the present regime in Nepal, and calling upon us not to do so. As far as I remember, that was the main purport of that memorandum.

Of course, our policy in regard to this matter has been to prevent any arms being sent across our border or India being made the base for such activities. But all constitutional freedom will be given, subject to our laws, to people who come here to express their opinions. The House will remember that the Nepal-India frontier is an open frontier. It has been an open frontier and it is so. We have check-posts here and there—quite a large number of them—to control any possible arms trade, and that has been successful. Nevertheless, people can come and go from a hundred places; it is difficult to stop them from crossing over. According to our information, there has been very little of anything in the shape of arms going across. But nobody can guarantee and odd person not taking some guns or something of that kind. But there is very little of it. Most of the trouble in Nepal has been caused locally.

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डा० गोविन्द दास : इधर जो नेपाल के और हमारे सम्बन्ध कुछ खराब हुए हैं, इस विषय में क्या प्रधान मंत्री जी ने नेपाल के महाराज को यहां पर आने का नियंत्रण दिया है और यदि यह ठीक है, तो वह कब आयेंगे और क्या इस तरह की बातों पर उनसे चर्चा होगी ?

श्री जवाहरलाल नेहरू : मेरे पास शुरू में खबर आई थी कि नेपाल गवर्नमेंट की तरफ से दर्याफ्त किया गया था कि उनका यहां आना किस तारीख को हो सकता है । मतलब यह कि उनकी तरफ से यह सवाल शुरू हुआ था । मैंने जवाब दिया कि वह बड़ी खुशी से आयें । जब वह आयेंगे, तो हम बड़ी खुशी से मिलेंगे और नेपाल और हिन्दुस्तान के ताल्लुकात पर बातचीत करेंगे । इस बारे में कोई तारीख मुकर्रर नहीं हुई है ।

Shri Nath Pai: Apart from this demonstration, is it a fact that of late there has been some misguided anti-Indian propaganda, whether officially sponsored or encouraged or not, in Nepal? May I also know whether there has been a slight straining of the relations between the two countries as indicated by the misguided propaganda? If so, what steps do the Government of India have in mind to restore them on the old, friendlier basis?

Shri Jawaharlal Nehru: It is true that there has been a good deal of press propaganda in Nepal which might be called anti-Indian. I do not know what the hon. Member expects me to do. We do not want this mutual recrimination etc.—either from India or from Nepal. For the rest, we have found many of the charges made in the Nepalese press on inquiry to be completely without foundation. The charges are that people are going from India and attacking their police posts and others. To our knowledge, this has not happened. Some local thing has happened in Nepal, the prevention of which we cannot, obviously, guarantee, nor can we have much information about it.

Shri Hem Barua: May I know whether the attention of Government has been drawn to an allegation made by Nepal to the effect that arms and ammunition captured from Nepalese rebels bear the hall-mark of Indian ordnance factories? If so, have Government refuted this allegation or examined the veracity of it?

Shri Jawaharlal Nehru: There was some such allegation in one place, and I believe we have refuted it or required some further evidence of it. It is difficult to prove it unless we have some evidence.

Shri Nath Pai: A body of foreign correspondents was invited by the Foreign Ministry of Nepal and shown what the Nepalese Government claimed to be 'ammunition manufactured in Kirkee (Poona). May I know whether Government have any information about that and if so, what it is?

Shri Jawaharlal Nehru: I have no present knowledge of this, a body of correspondents going there and being shown something. It is possible; it depends on the quantity; somebody may have a little of it.

Shri Sadhan Gupta: Have we any information as to whether the demonstration was spontaneous or was organised by definite elements? If it is the latter, by whom was it organised?

Mr. Speaker: All demonstrations are organised.

Shri Jawaharlal Nehru: Hon. Members themselves can draw their own inference from the state of conditions in Nepal. I presume there is a strong Government there without whose permission little is done.

Shri Hem Barua: Is it not a fact that the Nepalese Army uses some arms and ammunition supplied to them by India? May I know whether this cannot be a fact that these arms and ammunition that were demonstrated to the foreign correspondents at Khatmandu might be the arms and ammunition supplied to the Nepalese Army by us?

Shri Jawaharlal Nehru: It may perhaps be so. We sometimes supply them these things. As a matter of fact, to the best of our information, the arms and ammunition that the rebel forces—or rebels—in Nepal have have been captured from their own police posts.

Shri Tyagi: Is it a fact that the diplomats posted in Nepal, Bhuttan and Sikkim belong to a lower category of rank than the diplomats deputed by the External Affairs Ministry to many other foreign countries in Europe?

Shri Jawaharlal Nehru: Does the hon. Member refer to our representatives?

Shri Tyagi: Yes. I am referring to their grade and rank.

Shri Jawaharlal Nehru: I do not know if it is a lower category. The post in Nepal has always been considered by us to be one of our top-ranking posts. Our best men are sent there. One of our best men whom we sent there—he was the Chief Commissioner of Delhi—is top-ranking in that respect. Our present representative there is also a very high-ranking senior man.

As for Bhutan and Sikkam, the same person represents us at Gangtok. Here also, we have always in the last few years sent a very good man there.

Import of Taxi Meters

*6. **Shri Agadi:** Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 1064 on the 2nd December, 1961 and state:

(a) whether the complaint received about the prices charged by the importers of Taxi Meters has been examined;

(b) if so, the results thereof;

(c) whether the matter of issuing permits for Taxi Meters along with the Taxi Permits has been considered by Government to stop blackmarketing; and

(d) if not, the reasons therefor?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). A statement is laid on the Table of the House.

STATEMENT

(a) to (d). Yes, the complaints were received. But the allegations against certain importers regarding irregular import of taxi meters and sale of the goods at high prices have been looked into but on examination, they were not generally found to be correct.

The question of issuing licences to individual taxi owners for import of taxi-meters was considered. However, this was not found feasible on administrative reasons. Where a large number of permits were issued for new taxis, C.C.I. & E. had, as a special case, issued *ad hoc* licences on the recommendations of the State Government to alleviate the hardship of the taxi operators. Requests from Taxi Operators Association for such certified imports are being considered favourably.

Administrative set up in Goa

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*7. **Shri Harish Chandra Mathur:**
Shri P. C. Borooah:
Shri D. C. Sharma:
Shri Supaka:

Will the **Prime Minister** be pleased to state:

(a) what is our administrative set up for the Indian territory liberated from Portugal;

(b) whether any developmental schemes for the area are being formulated; and

(c) what financial provisions have been made and under what authority these are to be operated?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) By virtue of Article 1(3)(c) of the Constitution, Goa, Daman and Diu are comprised within the territory of India with effect from the 20th of December, 1961. This Union Territory is being administered by the President through an Administrator.

(b) Yes, Sir.

(c) An amount of Rupees forty lakhs has been placed at the disposal of the administration as an advance out of the Contingency Fund of India. This amount will be recouped by obtaining a Supplementary Grant in the current session of Parliament. A detailed budget for the territory has been prepared for the two periods—December 20, 1961 to March 31, 1962 and April 1, 1962 to March 31, 1963.

Shri Harish Chandra Mathur: May I know whether the administration has been taken over by the civil authorities from the military personnel and whether the residents of that area are in any way associated with the administration?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): The Military Governor there continues for the time being, but actually the administration is carried on on civil lines. The military forces and the police forces there have been greatly reduced, but some military forces have to be kept there so long as we have over 3,000 Portuguese military detenus there. Now, soon after this Goa operation we told the Portuguese Government that they could make arrangements to take these detenus. We did not wish to keep them, we did not wish to bargain with them, that they should do something to us and then we would allow them to go. They are there. Well, the Portuguese Government has not made any move to take them away.

Shri Hem Barua: It is not interested, it seems.

Shri Jawaharlal Nehru: I do not know whether they are interested or not. That is one reason why we have kept some army there, more or less because of these persons. Otherwise, in fact, the army has been greatly reduced and would be reduced still further. I do not know when, but within a relatively brief time the military administration as such will completely give place to a civil administration.

Shri Harish Chandra Mathur: May I know whether we have decided upon the set-up that we are going to have in Goa, Daman and Diu, whether it is going to be just like the other districts of the various States, or we are going to have a different set-up there?

Shri Jawaharlal Nehru: It has been repeatedly stated that these areas will remain separate from the surrounding districts of the States of India. The present idea is—this will be brought up by a Bill before the House—to have these areas as Union Territories. This is also more or less a temporary set-up. The internal set-up will be drawn up a little later, and no doubt they will be represented in Parliament. For all this, preliminary electoral rolls and other things have to be made.

Shri P. C. Borooah: May I know whether it is a fact that a leading political party, namely the Goan Democratic Party, has passed a resolution in January last that they want autonomy for Goa? If so, what is the Government's reaction to that?

Shri Jawaharlal Nehru: They will, they are bound to have a measure of autonomy. The question is: what measure?

Shri Nath Pai: Till they get their elected representatives in this House, may I know what steps are being taken to associate representatives of popular opinion in Goa with the administration there?

Mr. Speaker: Hon. Members may pursue this matter when the Bill comes up.

Shri S. M. Banerjee: May I know whether any assessment has been made of the number of people who were killed during the struggle by the Salazar Government: if so, whether any arrangement has been made to pay pension etc., to their family members?

Shri Jawaharlal Nehru: I believe there is a Question in this House, or, maybe, in the other House, I forget I am sorry, it is in the other House I speak from memory. *About 35 Portuguese were killed altogether and about 25 of our soldiery, and some were wounded. Our administration there has given some help to the relatives of those who have been killed.

Shri S. M. Banerjee: My question was different. Before the Goa operation, right from 1955, many nationalists have been killed by the Portuguese authorities. I am talking about the nationalists who fought against the Salazar regime inside Goa.

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*The figures were subsequently corrected to read as: Portuguese, Killed 45, wounded 55; Indians Killed 22, wounded 53. [See also Answer to U.S.Q. No. 5].

Shri Jawaharlal Nehru: Those persons have been helped to some extent even in the past; they may be, in future, to some extent. I do not know exactly what the position is now.

Shri Nath Pai: Are there any persons held in Goa for political reasons at present? Are Government aware? There have been complaints in the Bombay press that some persons continue to be detained and incarcerated for alleged political offences. Has the Prime Minister any information on that point?

Mr. Speaker: Against our State?

Shri Nath Pai: That is not clear but the press says there are some.

Shri Jawaharlal Nehru: I do not know. I have an idea that actually all of them were released. I cannot say off-hand whether one or two persons, for some special reasons, have not been released.

Sericulture Industry in Punjab

***8. Shri Hem Raj:** Will the Minister of **Commerce and Industry** be pleased to state the amount advanced by the Central Government for the development of sericulture in the Punjab Hills during 1961-62 and the amount proposed to be given in 1962-63?

The Minister of Industry (Shri Manubhai Shah): A statement is laid on the Table of the House.

STATEMENT

The Central Government have approved of a total outlay of Rs. 4 lakhs and Rs. 5:77 lakhs for the development of sericulture industry in the Punjab State during the years 1961-62 and 1962-63 respectively. No separate allocation has been made for the development of sericulture industry in the Punjab Hill areas as such.

Advances are given to the State Governments every month for implementation of various plan schemes. The quantum of central assistance due to the State Government will be determined on the basis of the expenditure actually incurred by them and sanctions for the amount finally found due will be issued during the course of March every year.

Shri Hem Raj: May I know whether it is a fact that a Japanese team visited Punjab and recommended that Kangra District was the most suitable place for the plantation of mulberry trees; if so, may I know whether action has been taken on that?

Shri Manubhai Shah: There have been three schemes sanctioned: (1) propagation of the mulberry plantation, for which Rs. 42,000 have been provided in 1961-62; (2) establishment of one plantation-cum-demonstration farm in Kulu Valley; and (3) Establishment of a chowki rearing centre in Nurpur Tehsil.

Shri Raghunath Singh: May I know the quantity of the imported shell and when India will be self-sufficient?

Shri Manubhai Shah: This would not arise from the question. From Punjab he is jumping over to the whole of India.

River Feni

***9. Shri Bangshi Thakur:** Will the **Prime Minister** be pleased to state:

(a) whether agreement between India and Pakistan has been reached regarding the River Feni which demarcates the boundary of Sabroom in Tripura and Ramgarh in East Pakistan; and

(b) if not, how long it will take to come to a satisfactory decision?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) No, Sir.

(b) Negotiations between India and Pakistan are in progress. It is difficult to give a precise date by which an agreement will be reached.

Shri Bangshi Thakur: May I know whether it is a fact that, if the demand put forward by Pakistan relating to the settlement of the Feni River dispute is conceded, some area of which India is the rightful owner will go to Pakistan?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I do not understand the question still, but as I understand it, the dispute is as to where the Indo-Pakistan boundary is, either in the middle of the river or on one side. The Pakistanis claim that the whole river falls to them. Our claim is that the boundary should be in the middle of the river. That is the main contention.

Shri Hem Barua: In view of the fact that this problem of the Feni River has been hanging fire for a very long time and every time we are posted with one information only namely that negotiations are proceeding with Pakistan, may I know the nature of the present negotiations?

Shri Jawaharlal Nehru: Negotiations are on the official level.

Mr. Speaker: Their nature he wants to know.

Shri Jawaharlal Nehru: Their nature is: each party puts forward its claim, supported by such evidence as it has. It is a very old dispute, originally between the Tripura administhation and the then British India. It is a continuation of that.

Shrimati Renu Chakravartty: What is the international practice with regard to demarcation of rivers? All other river boundaries with Pakistan are, I think, along the middle of the river. What is the reason for an exception being demanded in this case and the matter being held up because of this?

Shri Jawaharlal Nehru: I cannot speak as an international lawyer. But, it seems to me reasonable and pretty obvious that the boundary should be lying in the middle of the river and not on one side of it. That is the normal case. But, in this case, the dispute is a very old one. There are many ramifications. Obviously, we consider the boundary should be in the middle of the river.

Shri Bangshi Thakur: In view of the fact that for long the negotiations have been proved to be fruitless, may I know whether the Government of India is willing to take up the negotiations at the Central Government level? If so, when?

Shri Jawaharlal Nehru: The negotiations are going on. The Central Government is being kept informed. The Central Government occasionally writes to the Central Government of Pakistan. But, actually, the examination is done by the local governments or the officials concerned. The Central Government is not out of the picture in this.

Radio-Activity in Calcutta

***10. Shrimati Ila Palchoudhuri:** Will the **Prime Minister** be pleased to state:

(a) whether the attention of the Government of India has been drawn to recent newspaper reports that some Calcutta Scientists who made investigations into the radio activity contents in rain water in Calcutta on the 27th January, 1962, have detected an abnormal increase of radio-activity in it;

(b) whether Government have made any enquiries about it; and

(c) if so, full details of the matter?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) Government have seen a press report that a group of scientists of Jadavpur University has detected "a little rise" in radio-activity in the rain water in Calcutta on 27th January, 1962.

(b) Yes;

(c) According to a report received from the Head of the Department of Physics, Jadavpur University, a "somewhat abnormal rise in the radio-active contamination carried down by rain waters on January 27, February 8 and February 27, 1962" was detected.

Systematic measurements of activity in air and rain water (when collected) received from eight stations—Bombay, Bangalore, Calcutta, Delhi, Gangtok, Nagpur, Ootacamund and Srinagar—scattered all over India, are made daily by the Department of Atomic Energy, which noticed an increase in activity deposited by rainfall at Calcutta during January, 1962. The increase level is, however, too low to present any danger to the public.

Shrimati Ila Palchoudhuri: Is it not a fact that the scientists gave the report that the amount of radio activity in the upper atmosphere is feared to have reached the danger point and also that they were carrying out further examination? Is the Government aware—that is a different question—as to which nuclear test has increased this radio activity?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): All I can say in answer is that the Atomic Energy Department has a fairly thorough way of judging this radio activity. It has numerous stations; 8 full-scale stations, and 30 other stations, all over India, where things like samples of milk are tested; the stations are all over India; from north to the south. They are constantly monitoring these; and a very close watch is kept on the level of radio active contamination. It has gone up occasionally; but, in their view, it is fairly below the danger level yet.

Shri Nath Pai: We want to know the answer to the second part of the question. The Prime Minister admits that there has been an increase in radio activity. The hon. Member wanted to know to which test this is due--which test has caused it.

Shri Jawaharlal Nehru: It, usually, is connected with these test explosions. Some increase immediately happens and it goes down afterwards.

Shrimati Ila Palchoudhuri: Which country's tests are expected to have done this? (*Interruptions*).

Shri Hem Barua: Sir, heavy drinking of tea serves as a deterrent to radio active effects.... (*Interruptions*). This is what the scientists have discovered. Heavy drinking of tea serves as a deterrent to radio active effects. Have the Government examined this?

Shri Tyagi: He comes from Assam, the tea estates area. (*Interruptions*).

Shri Jawaharlal Nehru: The radio active effects would have had their chance before that when the man dies.

Bonus Commission

***11. Shri P. G. Deb:** Will the Minister of **Labour and Employment** be pleased to state:

(a) whether the Bonus Commission has started its work; and

(b) if so, the progress made in the work?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) The Commission has held meetings to discuss the questionnaire which is expected to be finalised and issued shortly.

Shri S. M. Banerjee: I want to know whether a final decision has been taken to include the Defence, Posts and Telegraphs, Railways and other Central Government employees in this bonus scheme.

Shri Abid Ali: No, Sir; these departments will not be included for the reasons already explained.

Shri S. M. Banerjee: In reply to a previous question, the hon. Minister, Shri Nanda said that steps were being taken to include—not in this bonus—but in other forms of bonus. I want to know whether this has actually been ruled out.

The Minister of Labour and Employment and Planning (Shri Nanda): It has not been ruled out—to provide incentives for workers in the public sector and those who serve government in one way or another; that is a different matter altogether. It does not get related to the Bonus Commission.

Shri Anthony Pillai: Is it not a fact that at a tripartite conference which drafted the terms of reference of this commission, he had given an assurance to labour that a separate commission would consider the question of public concerns which do not come into competition with the private sector?

Shri Nanda: No, Sir.

Shri Tangamani: This Bonus Commission was set up after the lapse of several months. I would like to know whether we could expect the report of the commission by the end of this year, in view of the fact that certain bonus cases are pending before tribunals, as in the case of the bank employees.

Shri Nanda: The structure of the commission is such that it needs no goading from here. There are representatives of the workers on this commission.

Shri Anthony Pillai: On a point of clarification, Sir. I was myself present at the tripartite conference which drafted the terms of reference. Then the issue was raised about the public concerns which are not in competition with the private sector; and my recollection is that the Minister said that the matter would be considered favourably and a separate commission might be appointed for such concerns, as the LIC, for instance.

Shri Nanda: I have reiterated that the question of favourable consideration or whatever consideration is due in relation to these employees is certainly quite legitimate; but not that a separate Bonus commission was considered to be appointed.

Shri Indrajit Gupta: May I know if Government's attention has been drawn to reports that the employers' representatives on this commission are not co-operating as they were expected to and that in a recent meeting convened by this commission the only people who were present were the two representatives of labour? May I know whether Government is keeping a watch on this to see that the work of the Commission is not slowed down due to non-cooperation on the part of the employers?

Shri Nanda: Government have been and will always be eager to see that this commission functions properly.

Shri S. M. Banerjee: I want to know whether a final decision has since been taken to include all the corporations, that is, all the steel plants etc. including heavy electricals under this Bonus Commission scheme.

Shri Abid Ali: Government undertakings like the steel plants and Hindustan shipyard, heavy engineering and fertiliser factories are all included within the terms of reference.

Shri S. M. Banerjee: I wanted to know whether the Heavy Electricals have been included or not—the Bhopal factory.

Shri Abid Ali: I have just mentioned heavy electricals.

Shri Tyagi: Did this Commission also consider the question of giving incentive bonus for additional production? If that question was considered by them, what was their view?

Shri Nanda: This is certainly a part of the total reference.

Shri Tyagi: Did they agree to that; did they make recommendations?

Shri Nanda: It is for the commission to agree or not; we gave them the terms of reference.

Mr. Speaker: The matter is referred to the commission for its opinion; what is the meaning of their agreeing?

Watch Factory, Mysore

***12. Shri D. C. Sharma:** Will the Minister of **Commerce and Industry** be pleased to state the progress made by the Japanese experts in the work of the Watch Factory in Mysore?

The Minister of Industry (Shri Manubhai Shah): A statement is laid on the Table of the House.

STATEMENT

The construction of the factory buildings for the Watch factory which commenced on the 27th August, 1961, is expected to be completed by November, 1962. All the machinery required for the Watch factory has been ordered and is expected to be received by the end of September, 1962.

The first batch of 52 trainees selected by the Japanese experts were sent to Japan in July, 1961 and most of them will be returning to Bangalore after completion of their training by July/August, 1962. The second batch of 50 trainees will be sent to Japan for training after the return of the first batch.

The first stage of actual manufacture of components etc. with 54 per cent. indigenous content is expected to commence in January, 1963. The indigenous content will go upto 85 per cent. to 90 per cent. in the fourth stage of production which is expected to be completed by the end of December, 1966.

To impart training to Indian technicians, assembly of watches from imported movements commenced from July, 1961. Assembling of the first batch of about 15,000 watches will be completed by the end of March, 1962. 11,465 watches consisting of 1,870 Ladies ('Sujata'), 4815 Gents' ('Citizen') and 4780 Gents ('Janata') have been assembled till about the middle of February, 1962.

Shri D. C. Sharma: How long will it take this factory to get going?

Shri Manubhai Shah: It has normally started production on the assembly lines. Actual production in terms of parts will begin from January, 1963; that is, about 9 or 10 months from now.

Shri D. C. Sharma: How many factories are we going to have in India and how they are going to be regionally distributed?

Shri Manubhai Shah: There is one factory in the public sector in Bangalore; that is with Japanese collaboration. I have given details of it. Another one with French collaboration is in the private sector in Bombay; it has started production. A third factory is coming up in Madras with German collaboration. Over and above these, four small scale units have been located as a special integrated scheme in Punjab three in Ludhiana and one in Chandigarh.

Shri Thirumala Rao: Have Government got any information about the efficiency of these watches? How are they working?

Shri Manubhai Shah: So far the reports have been excellent and I have been flooded with demands from every quarter.

श्री रघुनाथ सिंह : चार फैक्टिरियां आपने पंजाब में दे दी हैं लेकिन उत्तर प्रदेश में एक भी फैक्टरी नहीं दी, आखिर यू० पी० से मंत्री महोदय इतने माराज क्यों हैं ?

श्री मनुभाई शाह : वह चार छोटी छोटी फैक्टिरियां हैं और वे एक साथ मिल कर काम करेंगी। उत्तर प्रदेश से दरख्वास्त आयेगी

तो हम उसको भी कंसिडर करेंगे । वहां से दरख्वास्तें आई हैं और एक दरख्वास्त कानपुर के लिए हमारे पास मौजूद भी है और हम उस पर विचार कर रहे हैं ।

Shrimati Ila Palchoudhuri: Since U.P. has been brought up here, I would like to mention that there is a small watch factory in West Bengal in Nabadwip. Has it received any Central assistance?

Shri Manubhai Shah: I would not like to go into every State. As a matter of fact the Bengal factory is only for the time pieces and clocks and not for watches.

Shri Tangamani: It is said here that the assembling of the first batch of about 15,000 watches will be completed by the end of March, 1962. In view of the high quality of these, I would like to know whether more will be assembled after March, 1962, also, till the new construction is completed in November?

Shri Manubhai Shah: That is right. This year we are going to quadruple the production and ultimately it will go to 400,000 per year.

Shri S. C. Samanta: May I know whether clocks are being manufactured in this factory?

Shri Manubhai Shah: No, Sir. The House will be glad to know that we are self-sufficient in clocks and time pieces. We actually export clocks.

Dr. M. S. Aney: May I know whether in all these factories located in various parts of India only wrist watches are manufactured and not pocket watches? If so, why?

Shri Manubhai Shah: The pocket watches and stop watches will also being included in the programme. The demand being very small, it has not been found economical. But the HMT programme will include stop watches and pocket watches.

Consumers' Association

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***13. { Shri Agadi:**
Shri P. C. Borooah:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 1378 on the 6th December, 1961 and state:

(a) whether the recommendations made by the Seminar held by the Consumers' Association of India, have been considered; and

(b) if so, the details of the decision taken in the matter?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) and (b). The matter is still under consideration, as the full report on the Seminar is not yet received.

Shri P. C. Borooah: May I know whether the Government propose to take any action to arrest the rising prices of consumer goods?

Shri Satish Chandra: That question is constantly under the consideration of the Government and is being discussed all the time in the Department of Economic Affairs, the Ministry of Commerce and Industry and the Planning Commission. All suitable steps are taken from time to time to check the inflationary tendencies.

Wage Board for Tea Industry

***14. Shri P. C. Borooah:** Will the Minister of **Labour and Employment** be pleased to state:

(a) whether the Central Wage Board for Tea Industry has submitted any interim report;

(b) if so, what are their main recommendations;

(c) whether one of their main recommendations is for an interim wage increase; and

(d) if so, whether the same has been given effect to?

The Deputy Minister of Labour (Shri Abid Ali): (a) to (c) A Copy of the Board's reommendation for grant of interim relief to workers in tea estates of Assam and West Bengal is placed on the Table of the Sabha. [*See* Appendix I, annexure 3.] Copies of a similar recommendation in respect of South India were placed on the Table on the 7th December, 1961.

(d). The recommendations are under examination.

Shri P. C. Borooah: May I know the date from which interim relief is proposed to be given in Assam and West Bengal?

Shri Abid Ali: 1st December, 1961.

Shri P. C. Borooah: What is the estimated monthly expenditure to be incurred by the tea industry in Assam and West Bengal as a result of the enforcement of this?

Shri Abid Ali: That has not been calculated by us.

Shri Tyagi: Why have the different tea estates of the valley of Dehra Dun been left out?

Shri Abid Ali: The workers representatives are there. Perhaps this has not been included by either recommendations made by the wage board for the eastern part of the country or in the southern part. This question has not cropped up so far.

Shri Tyagi: As far as I know about Dehra Dun, the question was considered but they have not taken any decision yet. That was my information. I want to know whether they have been excluded from the purview of this Commission?

Shri Abid Ali: I think they are not specifically included in those recommendation.

Shri Tyagi: Why not?

Shri Abid Ali: That can be taken up separately.

Shri Hem Raj: May I know whether the small tea gardens have been excluded from their purview?

Shri Abid Ali: Tea gardens situated in these regions are included.

Mr. Speaker: They may be big or small.

Shrimati Ila Palchoudhuri: Is it a fact that when this wage board was making its recommendations the industry also had written to them that certain taxes and duties have to be reconsidered before the recommendations could be considered by the industry? Has the wage board taken this into consideration? Have they gone into this question at all?

Shri Abid Ali: This particular board need not take these matters into consideration but if the industry desires to request the Government, they are at liberty to do so. However I may inform the House that with regard to the rubber plantations in the south they have mentioned in the recommendations that Government should consider increasing the price.

Film on the Life of Mahatma Gandhi

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***15.** { **Shri P. G. Deb:**
Shri Bibhuti Mishra:

Will the Minister of **Information and Broadcasting** be pleased to state:

(a) whether Government have given any facility to a foreign film producer to produce a film in India on the life of Mahatma Gandhi; and

(b) if so, the details thereof?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). Government are not aware that any foreign producer is making a film in India on the life of Mahatma Gandhi. Messrs Red Lion Films of England are, however, producing a film 'entitled "A Day of Darkness" which also deals with Gandhiji's assassination. Government are not a party to its production and the story does not carry their approval. A copy of the Press Note issued in this connection is laid on the Table of the House [*See* Appendix I, annexure No. 4]. Certain facilities, on payment, where admissible, were granted to them by some departments and some State Governments. Details of these are being collected and will be laid on the table of the House in due course.

Shri P. G Deb: May I know whether the script of this film has been approved by the Government?

Dr. Keskar: No, Sir. The producer originally came to us and wanted the Government to see the script. Incidentally it was dealing with a very important political event in India's history. We had a look at the script and we conveyed to the producer our comments regarding the script and drew attention to factual deviations, etc. To that extent we have seen the script.

Shri P. G. Deb: May I know whether the Government has pointed out that Godse should not be the hero of the picture instead of Mahatma Gandhi?

Dr Keskar: I think the hon. Member is under a wrong impression. Whether a person should be a principal character in a film or not, it is for the producer to decide. From what I have seen of the script Godse does not appear at all to be a very good hero.

Shri H. N. Mukerjee: There have been a lot of allegations in the Press that in the film which has been produced by a foreign agency the character of the murderer of Mahatma Gandhi has been painted in a manner which is very sympathetic and also that an Indian national has been directed and he has acted accordingly to impresonate Gandhiji in a manner which detracts from the dignity of the subject. In view of all that I wonder why Government has permitted facilities to a foreign experimenter with this kind of activity while our own producers and directors are denied facilities for even the most honest and artistic kind of film experimentation.

Dr. Keskar: First of all no producer in India has come forward to deal with any aspect of any type of production which the hon. Member has referred to. Secondly, certain comments regarding this film were made and a full reply giving all the details was published in the Press and the Press note which is attached to this answer has given all the details. First of all, Government had made it clear that Government's approval is not there for this particular type of film. At the same time it is to be borne in mind that no permission is required for anyone to produce a film or rather to shoot a film in this country and we thought that our giving advice to the producer in his dealing with an important event in history will be of some good. It is of course for him to accept or reject it.

12 hrs.

Shri Thirumala Rao: Have the Government got powers, and if they have not, do they intend taking powers to control the production of such an important film like the film on Mahatma Gandhi which is liable to be misused for propaganda purposes, according to the opinion of the producers?

Dr. Keskar: First of all, this film does not deal with the life of Mahatma Gandhi, as I have said at the very beginning. Secondly, we have not got at this time any power to control the production of any film excepting that when a film is intended for public exhibition, it has to be submitted to the censors who will take appropriate steps according to the rules of censorship. Certainly, the question whether we should have such powers can be considered.

Shri Thirumala Rao: May I ask if the Government can give an assurance to this House that they will be vigilant about the production of such films and that such films do not come into the picture? It should not be this way: that they are vigilant after the film is produced and distributed and the mischief is done!

Dr. Keskar: The question whether the production of films should be controlled in the public interest is a very important, general question, in which not only the question of film production is involved but many other very important questions of freedom will be involved and these will require very careful consideration.

Shri Tyagi: A film depicting Mahatma Gandhi will be a very important affair; it will have a great impact on the world one way or the other. I wonder if the Government have considered the feasibility of taking some powers to stop any such film which depicts Gandhiji's character which is very difficult for interpretation even for writers. Such films might have a very bad effect. I want to know if the Government are prepared to stop the production of any film concerning Gandhiji.

Dr. Keskar: The producer of this film was informed that for the film to be shown in India it would have to be passed and approved by the Board of Censors, and I am sure that they will think of all these things before they approve of the film being shown.

Shri Tyagi: It should be banned.

Dr. Keskar: Incidentally, I may also say that we were very careful in seeing that as far as Mahatma Gandhi was concerned, whatever little portion there was about Gandhiji, it has been treated with due respect, and there is no deviation from authenticity.

Shri Tyagi: Why should the film be permitted unless it is factual?

डा० गोविन्द बास : क्या यह बात सही है कि कुछ अखबारों में निकला था कि इस फिल्म में गांधी जी के जीवन को उस प्रकार नहीं बताया जा रहा है, जिस प्रकार कि बताना चाहिए और इसका सिनेरियो (Scenario) और जो दूसरी चीज़ें तैयार हुई हैं, उनसे यह स्पष्ट मालूम होता है ? क्या सरकार ने इस बात का पता लगाया है कि अखबारों का यह संवाद कि यह फ़िल्म ठीक नहीं बन रही है, सही है ?

डा० केसकर : जहां तक मुझे मालम हुआ है, अखबारों में निकली हुई यह बात, जो कि माननीय सदस्य कहते हैं, ग़लत है। जहां तक मैंने स्क्रिप्ट को देखा है, गांधी जी की हत्या के अलावा गांधी जी के जीवन का कोई अंश इस फ़िल्म में नहीं आता है।

Dr. Sushila Nayar: The hon. Minister says that the Board of Censors will deal with the film when it is produced. I would like to know if the Board of Censors has any authority to prevent the circulation of the film in the rest of the world. It may say that it cannot be shown here if it is undesirable. But once it is produced and shown in the rest of the world—the caricature and all that—a wrong impression would be created. Will that be a right thing? Is there no remedy to prevent it?

Dr. Keskar: It is impossible for the Government of India to prevent the production of any film. In fact, there was a film—a very painful instance in India's history—which was proposed to be produced by a producer. We did not give him permission. But he got the same thing produced in another country. It went wrong in the rest of the world. It is not possible for us to stop these things unless we take very extraordinary powers in this country.

Shri Tyagi: It violates our sentiments. We cannot allow Gandhiji to be treated like that.

Some Hon. Members *rose*—

Mr. Speaker: Hon. Members are exercised over this matter. Why should Government give facilities to such films?

Shri Tyagi: Why should not the Government stop it altogether? It violates our sentiments. (*Interruption*).

Dr. Keskar: Government cannot stop the production. In fact, even very objectionable films were produced.

Shri Tyagi: We give you all the powers to stop such films. We do not want films on Gandhiji.

Shri Thrirumala Rao *rose*—

Mr. Speaker: Order, order. Hon. Members seem to be very much interested in this. I will allow a half-an-hour discussion over this matter.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Well, with all respect, may I say this? May I submit, how are we going to discuss this in half an hour?

Mr. Speaker: Hon. Members are anxious to see that caricatures of Gandhiji are not exhibited outside this country.

Shri Jawaharlal Nehru: Quite so. But how will they decide if it is a caricature or not.

Mr. Speaker: The script.

Shri Jawaharlal Nehru: That is to say, they will read the script? I think they should. It is not available to me. It is not available here. What I said or suggested, when I saw this, was this: not only the script but the actual film should be seen by some competent person and a report sent to us. It is in London. It is not here. How will hon. Members know about it except by brief extracts from the press? The matter is important, but what I am saying is, how will they get at it by a half-an-hour discussion. I do not understand.

Shri Tyagi: Government should make a statement. (*Interruption*).

Mr. Speaker: Order, order

Shri H. N. Mukerjee: I submit with all respect that there are certain issues which arise. For instance, one is this: it is difficult for anybody in this country to import films in order to produce pictures and all that kind of thing. Hhere is a foreigner— with what credentials I do not kno—who brings along with him all kinds of films in order to produce a film on the subject which is dear to our heart and sacred to our conscience and he does a bad job of it. That is the allegation all over the press. And here is the Government which says it cannot stop a miserable foreigner from coming into this country with a lot of film and producing a picture and showing it to all the world, and this Government cannot do anything to stop it. The Prime Minister says there is nothing to discuss. It is a most amazing proposition. This kind of ineptitude is shown by the Government and the Prime Minister says that there is nothing to discuss.

Shri Jawaharlal Nehru: The hon. Member is completely off the track. What I said was that without seeing the script or the film, you cannot pass a judgmeent on it. Nobody has seen it here; as far as I know, nobody sitting here has seen it—not I, not the Minister. What I have suggested is...

Shri Braj Raj Singh: He did see.

Shri Jawaharlal Nehru: He has not seen it, Sir. I tell you he has not seen. He may have seen the script. He has not seen the film. But I doubt if he has been the script even—even he. (*Interruption*). What I mean is, somebody in his Ministry might have seen it, but I doubt if he has seen it. That is why we suggested that before we proceed further in this matter, it should be examined. We should know exactly what it is. It is not necessary for me to say that everyone in India or almost everyone takes strong exception to any kind of film which depicts Mahatma Gandhi in a wrong light.

Shri Tyagi: Why allow the film at all?

Shri Jawaharlal Nehru: It may be distorted or personally wrong. That is obvious. But what are we to do about it? What powers have we got? At the present moment, he has said what the powers are. If the powers are to be increased or anything, let us consider it separately. But, at the present moment, the question is about this particular film. Let us know, find out, what it is and then the Ministry or the House can decide what to do with it.

Shri Tyagi: Our submission was that a film of this nature ought to be banned altogether. There is no point in making such films. *(Interruption)*.

Shri Keshava: The facilities, when asked for, should have been denied.

Shri Jawaharlal Nehru: I do not understand how the hon. Member in this or any other matter proposes to express a final opinion without knowing the facts. My training is, find out the facts and given your view about it.

Dr. Sushila Nayar: May I ask the hon. Minister if he can assure the House that this examination will not be delayed till the stage when the whole film is produced and we cannot do anything more about it, when it can be circulated in the rest of the world. Can something be done to prevent the damage that will be done by a bad film produced and circulated in this manner on this subject?

Dr. Keskar: The producer has himself asked us to see that we see the film and give our comment, but at the same time, as the Prime Minister has just stated, the film is in London. If they propose to show the film outside this country, it will not be possible for us to control it. We will give our advice to the extent that we can prevail upon the producer to modify it, according to our advice, and we can say that.

Some Hon. Members *rose*—

Mr. Speaker: Order, order. The Question Hour is over. I am not going to allow a discussion on this matter.

Shri A. M. Tariq: It is a very important point.

Mr. Speaker: I am not going to allow a discussion on that.

श्री अ० मु० तारिक : क्या यह दुरुस्त है कि जब उन्होंने इसको नहीं पढ़ा तो क्या उन्होंने इस फ़िल्म कम्पनी को गांधी जी के जनाज़े का सीन लेने की इजाज़त दी थी ? क्या यह भी दुरुस्त है कि जब यह सीन लिया जा रहा था तो बम्बई का सारा ट्रेफिक ६ घंटे के लिए रोक दिया गया और जिन लोगों को प्रोसेशन में दिखाया गया है, पूरे मेक-अप के साथ दिखाया गया है, विद लिप स्टिक वगैरह दिखाया गया है ? मैं जानना चाहता हूं कि जिस वक्त गांधी जी के जनाज़े का सीन लिया जा रहा था तो क्या इनफार्मेशन मिनिस्ट्री का कोई अफसर वहां मौजूद था ?

Gandhiji's funeral procession was taken out with people with painted lips and eyebrows; it was in my presence. I have seen it.

[شری اے - ایم - طارق : کیا یه درست هے که جب انهوں نے اس کو نهیں پڑها تو کیا انهوں نے اس فلم کمپنی کو گاندهی جی کے جنازے کا سین لینے کی اجازت دی تهی - کیا یه بهی درست هے که جب یه سین لیا جا رها تها تو بمبئی کا صارا ٹریفک ۶ گهنٹے کے لئے روک دیا گیا اور جن لوگوں کو پروسیشن میں دکهایا گیا هے پورے میک اپ کے ساتھ دکهایا گیا هے اور لپ سٹک وغیره دکهایا گیا هے - میں جاننا چاهتا هوں که جس وقت گاندهی جی

کے جنازے کا سین لیا جا رہا تھا تو کیا انفارمیشن منسٹری کا کوئی افسر وہاں پر موجود تھا ؟]

Gandhiji's funeral procession was taken out with people with painted lips and eyebrows; it was in my presence. I have seen it.

डा० केसकर : कोई फिल्म किसी भी तरह की इस मुल्क में बने, उसकी सुपरविज़न का काम मुल्क के हर कोने में गवर्नमेंट आफ इंडिया देख नहीं सकती है और न ही कर सकती है । यह काम फिल्म बनने के वक्त में नहीं हो सकता है । यह चीज़ किसी भी हालत में मुमकिन नहीं है ।

श्री त्यागी : गांधी जी का तमाशा बने, यह चीज़ ग़लत है । मैं फिर अर्ज़ करना चाहता हूं कि उनका तमाशा नहीं बनना चाहिए । उनका तमाशा बनाना ग़लत है ।

श्री जवाहरलाल नेहरू : यह सीधी सी बात है । समझ में नहीं आता है कि किसी भी मामले का बग़ैर वाकात जाने तस्फ़िया कैसे कर लेते हैं । मेरी जितनी भी ट्रेनिंग हुई है उसमें मैंने यह सीखा है कि फैक्ट्स को जान लो फिर जो चाहो राय बनाओ । श्री त्यागी तस्फ़िया कर लेते हैं बग़ैर जाने कि क्या चीज़ है ?

श्री त्यागी : आपकी ट्रेनिंग विलायत की है, मेरी इंडिया की है । मैं अर्ज़ करना चाहता हूं कि गांधी जी का तमाशा नहीं होना चाहिए चाहे कैसी भी फ़िल्म हो । गांधी जी की कोई फिल्म नहीं बननी चाहिए ।

श्री जवाहरलाल नेहरू : त्यागी जी ने कैसे समझा कि वह तमाशा है? हमें पहले जानना चाहिए कि क्या चीज़ है । बिना जाने कैसे समझ लेते हैं कि तमाशा है । मेरी खुद राय है कि जैसे आपने कहा जरा भी गांधी जी के शान के खिलाफ, हिन्दुस्तान की शान के खिलाफ कोई चीज़ हो तो उसको दबाना चाहिए उसको रोकना चाहिये । लेकिन मैं नहीं तैयार हूं कोई राय देने के लिए उस पर जो एक अखबार वाले ने लिख दिया । आप जांच करवा कर अपनी राय कायम कीजिये, हाउस कायम करे तब किसी फैसले पर पहुंचिये । अखबार अक्लमन्द या बेवकूफ कुछ कह दे, तो यह गलत मालूम होता है ।

WRITTEN ANSWERS TO QUESTIONS

Tibetan Refugees

*16. **Shri P. C. Borooah:**
Shri Bhakt Darshan:

Will the **Prime Minister** be pleased to state:

(a) the total number of Tibetans who migrated into India during 1961;

(b) how many of them have been settled and where; and

(c) whether Government propose to impose any restrictions on Tibetan immigration in view of the increasing number of Tibetans in India and the limited rehabilitation potential in the country?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) 5,421.

(b) Altogether 8,900 Tibetan refugees have been settled or are in process of being settled on land. Their break up is:—

Mysore	3,000
NEFA	5,000
J&K	900
	8,900

In addition, about 9,000 refugees are employed on road works and about 800 have or are receiving training in various crafts and trades.

(c) No, Sir.

Extradition Treaty with Pakistan

*17. **Shri Agadi:** Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 510 on the 2nd December, 1961 and state:

(a) the action taken for finalising the Extradition Treaty with Pakistan; and

(b) the details and results thereof?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon: (a) and (b). The Indian High Commission at Karachi is pursuing, at the official level, the question of the finalisation of the Extradition Treaty. The High Commissioner himself has personally reminded the Pakistan authorities. The reply recently given by the Government of Pakistan is that "the matter is under close examination". Their final decision is still awaited.

Infiltration of Pakistanis into Indian Territory

*18. **Shri D. C. Sharma:**
Shri P. C. Borooah:
Shri P. G. Deb:

Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that a group of Pakistanis supported by armed Pakistani police infiltrated into the Indian territory of Jalpaiguri District on the 10th January, 1962;

(b) if so, whether the trespassers had been arrested; and

(c) what other action has been taken in the matter?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) Some incidents from this area were reported between the 6th and the 9th January, 1962.

(b) No, Sir.

(c) Protests have been lodged both at the State Government as well as at the diplomatic level.

Indian Industrial Fair

1. **Shri P. C. Borooah:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the names of the countries which participated in the recent Indian Industrial Fair;

(b) whether any awards of merit have been conferred on the participating countries for their pavilions in the fair;

(c) if so, which of the foreign pavilions was adjudged to be the best; and

(d) whether similar awards were also conferred on Indian participants and if so, on which undertakings?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) 19 countries, whose names are given in Statement I participated in the Industries Fair, 1961;

(b) No, Sir, only certificates of participation were issued.

(c) Does not arise.

(d) Details of awards given to Indian participants are given in Statement II.

STATEMENT I

Names of countries who have participated in the Indian Industries Fair.

So. N.	*Name of the country*
1.	Austria
2.	Bulgaria
3.	Czechoslovakia
*4.	France
5.	German Democratic Republic
6.	Hungary
7.	Italy
8.	Japan
*9.	Morocco
10.	North Vietnam
11.	Poland
12.	Rumania
*13.	Switzerland
14.	U.A.R.
15.	United Kingdom
16.	U.S.A.
17.	U.S.S.R.
18.	Federal Republic of (West German)
19.	Yugoslavia.

*These countries were represented by private industrialists of those countries.

STATEMENT II

Statement of Indian participants who were given awards of merit.

Architectural

(*i*) *Above* 10,000 *sq. ft.*

1. Tata Industries Pavilion.
2. Birla Industries Pavilion.

(*ii*) *Below* 10,000 *sq. ft.*

1. Dalmia Cement Ltd.
2. Delhi Cloth & General Mills.

Display

(*i*) *Above* 10,000 *sq. ft.*

1. Our India Pavilion.
2. All India Handloom Board Pavilion.

(*ii*) *Below* 10,000 *sq. ft.*

1. All India Automobile and Ancillary Industries Association Ltd.
2. Assam State.

Art in Industry

(*i*) *Above* 10,000 *sq. ft.*

1. All India Handicraft Board.
2. Gujarat State.

(*ii*) *Below* 10,000 *sq. ft.*

1. Bengal Potteries Ltd.
2. Central Silk Board.

Zinc Smelter in Udaipur

2. **Shri P. C. Borooah:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the Zinc Smelter to be set up in Udaipur in Rajasthan has been inaugurated; and

(b) if so, what progress has been made in the implementation of the project?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). Foundation stone has been laid and construction work has started.

'H' Type Quarters in Andrews Ganj, New Delhi

3. **Shri P. C. Borooah:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether it is a fact that the total area and capacity of the 'H' type quarters meant for class IV Government servants and their families constructed in Andrews Ganj and Srinivasa Puri etc. are less than those of quarters in Prem Nagar and Sewa Nagar in view of the new austerity standards;

(b) if so, whether the minimum standards of sanitary and hygienic accommodation have been kept in view;

(c) the maximum number of persons that can be accommodated in such quarters;

(d) whether there has of late been a proposal under the consideration of Government to improve the living conditions of these quarters by covering verandahs appended thereto; and

(e) if so, with what result?

The Minister of Works, Housing and Supply (Dr. B. Gopala Reddi): (a) No.

(b) Does not arise.

(c) Each quarter is intended for a family of about five members.

(d) and (e). There is no general proposal for covering the verandahs of the existing class IV quarters. But the question of giving them more accommodation in two-roomed quarters is being examined.

Quarters for Class IV Staff

4. **Shri P. C. Borooah:** Will the Minister of **Works, Housing and Supply** be pleased to refer to the reply given to Unstarred Question No. 764 on the 28th November, 1961 and state:

(a) whether the proposal to construct two-roomed quarters for Class IV Staff has since been finalised;

(b) if so, where the two-roomed quarters for class IV staff are proposed to be built in New Delhi; and

(c) how many such quarters are to be constructed?

The Minister of Works, Housing and Supply (Dr. B. Gopala Reddi): (a) to (c). The proposal to construct two-roomed quarters for class IV staff is yet to be finalised.

"Operation Goa"

5. **Shri P. C. Borooah:** Will the **Prime Minister** be pleased to state:

(a) the number of casualties suffered by both sides separately in the recent Goa liberation operation; and

(b) how many Portuguese were taken as captives in the action?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) The casualties on the Portuguese side were 45 killed, 55 wounded and one missing, believed killed. On the Indian side there were 22 killed and 53 wounded.

(b) 4570.

China-Pak Border Talks

6. **Shri D. C. Sharma:** Will the **Prime Minister** be pleased to state:

(a) whether his attention has been drawn to the report.d Pakistan moves for delimitation of the common border line with China for the last few months; and

(b) if so, the reaction of the Government of India thereto?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) Yes, Sir.

(b) The Government of India obviously do not recognise the legality of any negotiations between China and Pakistan to delimit the borders of that part of the State of Jammu and Kashmir which is under Pakistan's unlawful occupation.

Sikkim and Bhutan shown as Independent States in U.S.S.R. Maps

7. **Shri D. C. Sharma:** Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 77 on the 7th August, 1961 and state the latest position regarding showing Sikkim and Bhutan as independent States in the maps by Russia?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): No reply has been received from the U.S.S.R. Government to representation made by us on the erroneous delineation of the Sino-Indian border in their maps, but no new editions of the Russian Atlas MIRA appear to have been published after the 1959 edition.

Cotton Spinning Mill in Raichur Distt. of Mysore State

8. **Shri Agadi:** Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Unstarred Question No. 1057 on the 1st December, 1961 and state:

(a) whether any decision has been taken in the matter of licensing for starting a Co-operative Cotton Spinning Mill in Raichur District of Mysore State;

(b) if so, the nature of decision taken;

(c) if the answer to part (a) of the question is in the negative, the reasons for the delay:

(d) whether any further proposals for starting Cotton Spinning Mills on a co-operative basis as well as in Private Sector have been received for granting licences; and

(e) if so, the details thereof and the decision taken?

The Minister of Industry (Shri Manubhai Shah): (a) No decision has been taken so far.

(b) Does not arise.

(c) to (e). A large number of applications have been received from all States for setting up of Cotton Spinning Mills during the Third Plan. All these are under careful consideration in consultation with the State Governments and the Textile Commissioner. So far as the Mysore State is concerned 10 applications have been recommended by the State Government, two of which are for Co-operative Spinning Mills and the rest from private parties. It is expected that all these applications will be disposed of shortly.

Indian Trade Agency Building at Gyantse (Tibet)

9. **Shri Agadi:**
Shri D. C. Sharma:

Will the **Prime Minister** be pleased to refer to the reply given to Unstarred Question No. 1022 on the 2nd December, 1961 and state:

(a) whether the hurdles put in the way of construction of the Indian Trade Agency Building at Gyantse (Tibet) by Chinese have been removed and construction work started;

(b) if not, the details of the objections;

(c) when they are likely to be settled; and

(d) the total amount estimated to be spent for the construction of this building?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) No Sir.

(b) No progress has been made with the construction of the Indian Trade Agency at Gyantse for reasons given in an answer to Unstarred Question No. 1022 in the House on 1st December, 1961. Since then although the lease for rented accommodation has been finalised, the Chinese have not taken any steps to fix the physical boundaries of the land to be leased though this had earlier been settled to the apparent satisfaction of both sides.

(c) As the difficulties in proceeding with the construction of the Trade Agency have been created entirely by the Chinese the Government of India are not in a position to indicate when these obstacles will be removed to enable work to proceed.

(d) As detailed estimates of expenditure on construction are to be worked out at prices prevailing after the finalisation of the lease deed no precise amount can be indicated at this stage.

Rent-free accommodation for Government Employees

10. **Shri P. C. Borooah:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether rent-free accommodation is made available to the employees of certain Government offices/ departments in New Delhi;

(b) if so, what are those offices whose employees get such free accommodation and whether this accommodation is furnished or unfurnished; and

(c) what are the general principles on the basis of which such rent-free accommodation is allotted?

The Minister of Works, Housing and Supply (Dr. B. Gopala Reddi): (a) to (c). In accordance with the recommendations of the Second Pay Commission, rent free concession is now granted in those cases only where the nature of duties of a post or conditions under which they have to be performed are such that a higher scale of pay or special pay etc. would be granted to its incumbent but for the rent concession. This principle is applied to all the Central Government offices uniformly. Rent free accommodation is generally unfurnished unless specifically provided otherwise in the terms and conditions of an officer's appointment.

Rent Free Quarters for Class IV Staff

11. **Shri P. C. Borooah:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether there are certain quarters for Class IV Government employees in New Delhi which are rent-free;

(b) if so, where and how many;

(c) what are the general principles governing the allotment of such accommodation;

(d) whether the new allottees of these quarters are not allotted the same free of rent; and

(e) if so, why?

The Minister of Works, Housing and Supply (Dr. B. Gopala Reddi): (a) to (e). No quarter meant for Class IV Government servants has been set apart for allotment on rent free basis. The concession is admissible to the holders of those posts whose duties are such that a higher scale of pay or special pay etc. would be granted to them but for the rent concession. The concession has been withdrawn from those officers who are not covered by the aforesaid criterion. But those Class IV employees who had been enjoying the concession from a date prior to the 1st October, 1952, have been allowed to continue to enjoy the same for so long as they continue in a Class IV post and occupy the same residence or another residence having an equal or lower living area.

Tea Industry

12. **Shri P. C. Borooah:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the total amount spent by the State on direct promotional activities in India on tea industry per year during each of the last five years;

(b) how does this amount compare with similar expenditure made for Tea Industry's development in Ceylon during those years;

(c) whether Government propose to increase such promotional activities to make Indian tea in foreign countries more competitive *vis-a-vis* Ceylon tea; and

(d) if so, to what extent?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) and (b). The amount spent on direct promotional activities for increasing internal consumption of tea is given below:

	1956-57	1957-58	1958-59	1959-60	1960-91
(i) India .	10,70,004	13,00,213	17,83,533	10,00,081	5,34,449
(ii) Ceylon .	3,29,025	2,99,895	2,66,808	2,76,478	2,65,508

(c) and (d). The Tea Board in India has already shifted the main emphasis on tea promotion to exports. As against a sum of about Rs. 32 lakhs spent in 1960-61, the revised estimate of expenditure during 1961-62 comes to Rs. 55 lakhs approximately. A larger amount is being budgetted for the next year.

Indian films banned in Pakistan

13. **Shri Agadi:** Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that Pakistan has banned some Indian films recently;

(b) if so, the number and names of such Indian films;

(c) whether any protest has been lodged; and

(d) if so, the details thereof?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). The Government of Pakistan have banned the import of all Indian films into Pakistan for the next five years. Indian films already imported are to be de-certified for exhibition in Pakistan.

(c) and (d). We have instructed our High Commission in Pakistan to lodge a suitable protest in this matter.

Special Schemes for Punjab Hills

14. Shri Hem Raj: Will the Minister of **Planning** be pleased to state:

(a) the special schemes of the various departments of the Central Government which have been executed in the Punjab Hills during the year 1961-62 and the money that has been spent on them; and

(b) the amount of money that is to be spent on such schemes during 1962-63 in the Punjab Hills?

The Deputy Minister for Planning (Shri S. N. Mishra): (a) and (b). Information is not available.

Heavy Engineering Project at Hatia

15. Dr. Samantsinhar: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the rate of compensation fixed and paid to the landholders for different varieties of lands who are losing their lands etc. for the Heavy Engineering Project at Hatia;

(b) whether in view of the high land prices and unavailability of lands due to land reform measures have been considered while fixing the rate of compensation;

(c) whether any land holder has been prosecuted; and

(d) if so, how many and the reasons therefor?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). The acquisition of land for the Heavy Engineering Project at Hatia as well as the payment of compensation to landholders is the responsibility of the Government of Bihar. No final decision has yet been taken by the State Government regarding the rate of compensation.

Accession of Kashmir

16. Dr. Samantsinhar: Will the **Prime Minister** be pleased to state the action taken to correct the facts regarding Accession of Kashmir published in U.S.A. particularly in the Encyclopaedia American a 1961, Columbia Encyclopaedia, World Book of 1961 and the Time Magazine?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Sometime ago, Our Embassy in Washington sent detailed letters to the Editors of these Encyclopaedias pointing out the factual inaccuracies in their respective accounts of the Kashmir Question. The correct facts about Kashmir's accession to India were also communicated to the Editors by our Embassy. Our Embassy asked the editors to consider appropriate revisions for future editions of these publications.

Similar action is also taken by our Embassy when inaccurate accounts about Kashmir appear in other American journals and periodicals.

12.10 hrs.

RE: MOTION FOR ADJOURNMENT

Shri A. K. Gopalan (Kasergod): Mr. Speaker, Sir, I had given notice of an adjournment motion, which you have unfortunately disallowed. May I have a clarification about the reasons why you have disallowed it?

Mr. Speaker: The reason is that it is not a matter which can be discussed in the form of an adjournment motion. If any facts have to be elicited, he may put a question. I have given him the reasons. The hon. Member says that on account of the recent elections, the Kerala Government ought to be thrown out of office and a new Government ought to be appointed. That is what he says.

Shri A. K. Gopalan: That is not what I said. The adjournment motion does not say that it should be thrown out. My adjournment motion only says:

> "Failure of the Government to take note of the results of the parliamentary election in terms

> of votes polled and the number of seats won.... It has lost the confidence of the people and further continuance of the Kerala Government in office, being contrary to the principles of the Constitution and the fundamental principles of parliamentary system...."

So, I do not say what should be done. The adjournment motion is only about the failure of the Government to take note of these things.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): This is exploiting this provision, if I may say so. It is a very remarkable way of trying to propagate his party's ideas—a most objectionable way. I should like to know what this has got to do with the failure of the Government. We have observed it and we have come to a certain conclusion, which is a very firm conclusion. (*Interruptions*). What has that got to do with the adjournment motion?

Shri A. K. Gopalan: If such a strong decision has been taken, at least what that decision is might be made known to us.

Mr. Speaker: This is not a matter for an adjournment motion. There is a Government there and if anybody has got any objection to its continuing in office, there is an Assembly there and it can certainly throw out the Government for various reasons. There is no purpose in bringing up such matters here. If he wants to say something against the Government, there are other opportunities elsewhere; it is not a matter for an adjournment motion here.

Shri A. K. Gopalan: May I point out that such matters were brought before Parliament? There is a precedent also about it; it was brought once. Will the hon. Prime Minister allow me to show how so many times these matters were brought before this Parliament?

Shri H. N. Mukerjee (Calcutta-Central): Article 256 of the Constitution authorises the Union Government to communicate to State Governments certain important decisions and directions, which might be necessitated. My submission to you in all seriousness is now that we are at the fag end of this Parliament, we should develop certain conventions in regard to the development of democracy in our country.

An Hon. Member: Through adjournment motion?

Shri H. N. Mukerjee: We might be suspected as sabortours of democracy, but we are trying to work it to the best of our ability. My point is, we want to have a kind of democracy where there shall not be paper-book adherence to the idea that there shall not be elections till after five years have passed and that sort of thing. If it is necessary in order to keep in conformity with the expression of public opinion, that elections should be held again, that should be directed. That is the job of the Central Government. If the Congress Party dominates at the Centre and in the States and that is why....(*Interruptions.*)

Mr. Speaker: In any case, this is not a matter for an adjournment motion. He wants to invoke the aid of article 256. There are methods of invoking its aid. If on any previous occasion such a thing came up here, I do not remember to have allowed it. In any case, an adjournment motion is not the manner in which the matter can be brought in this House.

Shri H. N. Mukerjee: Would you advise us how we can do it?

Mr. Speaker: I am not here to give advice. If he says there has been a breakdown of the Constitution anywhere, it is open to him to move this House through a proper motion.

[Mr. Speaker]

I am not here to give advice as to how he should do it. If he does so, I will find fault with it.

12.16 hrs.

CORRECTION OF ANSWER TO A QUESTION *RE*: CASUALTIES IN GOA OPERATION

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): May I make a small correction? A question was asked in the Question Hour about casualties in the Goa operation. I find that there is an unstarred question today in this House, which gives the number. If you like, I will read it—two or three lines.

Mr. Speaker: f he wants to treat it as a starred question, I have no objection.

Shri Jawaharlal Nehru: I want to correct what I said.

Shri S. M. Banerjee (Kanpur): I want to know, before our victory, how many people were killed by them during the struggle.

Shri Jawaharlal Nehru: I want to correct what I said. The casualties on the Portuguese side were 45 killed, 55 wounded and one missing, believed killed. On the Indian side, there were 22 killed and 53 wounded.

Raja Mahendra Pratap (Mathura): May I know why you are upset today? (*Interruptions*).

12.16½ hrs.

RE: MOTOINS FOR ADJOURNMENT

Shri Nath Pai (Rajapur): Mr. Speaker, you have been pleased to disallow my adjournment motion about the strike. It is in the public sector and ten thousand employees of the Heavy Electricals Limited in Bhopal have been on strike. This is a matter which comes within the purview of this House. We would like to know the position.

Mr. Speaker: I have been informed that the strike has been called off and it has appeared in the Press.

Shri Nath Pai: How are we to know? The Minister may take the House into confidence.

The Minister of Industry (Shri Manubhai Shah): The House will be glad to know that the strike has been called off yesterday and the work has been resumed fully. With your permission, I propose to make a full statement tomorrow on this matter.

Shri Khushwaqt Rai (Kheri): I had given notice of an adjournment motion regarding uncrushed cane in U.P. and Bihar. You have disallowed that motion. I would like to request you to treat it as a calling attention notice.

Mr. Speaker: Let him give notice.

12.17 hrs.

PAPERS LAID ON THE TABLE

COMPANIES (CENTRAL GOVERNMENT'S) GENERAL RULES AND FORMS (FOURTH AMENDMENT) RULES, TEXTILES (PRODUCTION BY HANDLOOM) CONTROL AMENDMENT ORDER AND RUBBER (FIRST AMENDMENT) RULES.

The Minister of Industry (Shri Manubhai Shah): On behalf of Shri Nityanand Kanungo, I beg to lay on the Table a copy each of the following papers:—

(i) The Companies (Central Government's) General Rules and Forms (Fourth Amendment) Rules, 1961 published in Notification No. G.S.R. 1408 dated the 25th November, 1961 under sub-section (3) of section 642 of the Companies Act, 1956. [*Placed in Library See* No. Lt-3485|62].

(ii) The Textiles (Production by Handloom) Control Amendment Order, 1961 published in Notification No. S.O. 2820 dated the 2nd December, 1961 under sub-section (6) of section 3 of the Essential Commodities Act, 1955, together with an explanatory note. [*Placed in Library See* No. Lt-3486|62].

(iii) The Rubber (First Amendment) Rules, 1962 published in Notification No. G.S.R. 206 dated the 17th February, 1962, under sub-section (3) of section 25 of the Rubber Act. 1947. [*Placed in Library See* No. Lt-3487|62].

KHADI AND VILLAGE INDUSTRIES COMMISSION (AMENDMENT) RULES, NOTIFICATION UNDER THE ESSENTIAL COMMODITIES ACT, REPORT OF TARIFF COMMISSION AND GOVERNMENT RESOLUTION.

Shri Manubhai Shah: I beg to lay on the Table—

(i) a copy of the Khadi and village Industries Commission (Amendment) Rules, 1962 published in Notification No. G.S.R. 58 dated the 13th January, 1962, under sub-section (3) of section 26 of the Khadi and Village Industries Commission Act, 1956. [*Placed in Library. See* No. Lt-3488|62].

(ii) a copy each of the following Notifications under sub-section (6) of section 3 of the Essential Commodities Act, 1955:—

(a) The Newsprint Control Order, 1962 published in Notification No. CH(I)-18(1)|62 dated the 17th January, 1962.

(b) Notification No. Ch. (1)-18 (1)|62 dated the 20th January 1962. [*Placed in Library See* No. LT-3489|62].

(iii) a copy of the Central Silk Board (Amendment) Rules, 1962 published in Notification No. G.S.R. 205 dated the 17th February, 1962, under sub-section (3) of section 13 of the Central Silk Board Act, 1948. [*Placed in Library. See* No. LT-3490|62].

(iv) a copy each of the following papers under sub-section (2) of section 16 of the Tariff Commission Act, 1951:—

(a) Report (1961) of the Tariff Commission on the revision of the fair selling prices of caustic soda, chlorine, hydrochloric acid and bleaching powder.

(b) Government Resolution No. CH(I)-15(41)/61 dated the 31st January, 1962. [*Placed in Library. See* No. LT-3491/62].

NOTIFICATIONS UNDER MINIMUM WAGES ACT AND GOVERNMENT RESOLUTION

The Deputy Minister of Labour (Shri Abid Ali): I beg to lay the on Table:—

(i) a copy each of the following Notifications under section 30A of the Minimum Wages Act, 1948, making certain further amendments to the Minimum Wages (Central) Rules, 1950:

(a) G.S.R. No. 1512 dated the 23rd December, 1961.

(b) G.S.R. No. 213 dated the 17th February, 1962. [*Placed in Library, See* No. LT-3492/62].

(ii) a copy of Government Resolution No. WB-11(i)/61 dated the 5th January, 1962 setting up a Central Wage Board for the iron and steel industry. [*Placed in Library, See* No. LT-3493/62].

(iii) a copy of the recommendations of the Central Wage

[Shri Abid Ali]

Board for Rubber Plantation Industry regarding the grant of interim increase in wages. [*Placed in Library, See* No. LT-3494/62].

12.19½ hrs.

DEMANDS FOR SUPPLEMENTARY GRANTS (GENERAL), 1961-62

The Deputy Minister of Finance (Shri B. R. Bhagat: I beg to present a Statement showing Supplementary Demands for Grants in respect of the Budget (General) for 1961-62.

12.19¾ hrs.

DEMANDS FOR SUPPLEMENTARY GRANTS (RAILWAYS), 1961-62

The Minister of Railways (Shri Jagjivan Ram): Sir, I beg to present a Statement showing Supplementary Demands for Grants in respect of the Budget (Railways) for 1961-62.

12.20 hrs.

ESTIMATES COMMITTEE

HUNDRED AND FORTY-NINTH REPORT

Shri Dasappa (Bangalore): Sir, I beg to present the Hundred and Forty-ninth Report of the Estimates Committee on the action taken by Government on the recommendations contained in the Eighty-sixth Report of the Estimates Committee on the State Trading Corporation of India Limited.

12.20½ hrs.

[MR. DEPUTY-SPEAKER *in the Chair*].

RAILWAY BUDGET, 1962-63

Mr. Deputy-Speaker: The Minister of Railways, Shri Jagjivan Ram.

The Minister of Railways (Shri Jagjivan Ram): Mr. Deputy-Speaker, Shri, I rise to place before the House the annual financial statement in respect of the Railways showing the estimated receipts and expenditure for the year 1962-63.

2. The Honourable Members are aware that the voting of the Demands for Grants for the year 1962-63, as a whole, is being left to the new Parliament which will shortly meet. I propose, therefore, to ask this House to vote only such supplies as may be necessary for meeting the estimated expenditure for the first three months of the coming financial year. As is done, however, in such years, the financial statement has been prepared so as to incorporate the estimates for the whole year as foreseen at present, on existing rates and fares and on the present costs. This picture for the entire year is given so as to facilitate, as for as possible, the grant of proportionate supplies for the first three months. Following the precedents in 1952-53 and 1957-58, a White Paper is being circulated with the budget documents, which gives a resume of the activities and achievements of the Railways in the recent years—more or less synchronising with the period, since 1951, of planned development of the country—and covering most of the subjects normally mentioned in the budget speech. I shall, therefore, refer briefly to only a few of the mportant points bearing on the finances of the railways and their operation and administration.

3. It is usual to touch upon the financial position during the last completed year and current year and also indicate the financial results expected in the coming year. During the year 1960-61, which is the latest year for which the complete accounts are available, the revenue surplus was Rs. 32·01 crores. The increase of Rs. 17·98 crores in surplus over the Revised Estimate anticipation, was due to (i) a fortuitous element of Rs. 1·7 crores on account of more staff than anticipated opting for the pensionary scheme of retirement benefits in lieu of the State Railway Provident Fund Scheme by which they

were previously governed; this resulted in a larger quantum of Government contribution in the State Railway Provident Fund Account reverting to Government as a credit, (ii) reduced expenditure on works chargeable to Revenue, to the extent of about Rs. 3·33 crores, and (iii) reduction in the Ordinary Revenue Expenses due to a variety of reasons, such as the effect of economy measures to an even greater extent than could be assessed when framing the Revised Estimates and the unavoidable carry-forward, into 1961-62, of some payments resulting from the adoption of authorised scales based on the Pay Commission's recommendations. The entire amount of the Surplus, as in previous years, was credited to the Development Fund. It is, necessary, however, to remember that this surplus of Rs.32·01 crores pertains to the year 1960-61, when the annual contribution to the Depreciation Reserve Fund from Railway Revenues was still only Rs. 45 crores and the rate of dividend to General Revenues was only 4 per cent. The increase in the appropriation to Depreciation Reserve Fund to an average annual figure of Rs. 70 crores and the increase in the rate of dividend to 4·25 per cent—based on the accepted recommendations of the Parliamentary Railway Convention Committee, 1960 —take effect only from the beginning of 1961-62.

12.25 hrs.

[MR. SPEAKER *in the Chair*]

4. In the current year, 1961-62, the Revised Estimates of Gross Traffic Receipts have been placed at Rs. 501:24 crores—Rs. 2·22 crores more than the Budget—the increase being largely under earnings from passenger and coaching traffic and sundry earnings, more than off-setting the reduction in goods earnings. During this year, goods traffic, as measured in orginating tons, is expected to increase by about 8 million tons over the level reached in 1960-61. Compared with what was anticipated, there is likely to be a short fall of about 3 million tons in the traffic to and from the Steel plants, requirements of which have not increased as fast as was expected. Another million tons of traffic will be lost due to a decrease in the indents for loading coal in the Central India Coalfields on account of fire, lasting almost throughout the year, in the Kurasia colliery, which used to load more than a million tons of coal per year. The heavy emergency movements during the month of December, 1961, caused a serious dislocation in train movements, resulting in a considerable fall in the loading of goods traffic; it is estimated that the shortfall on this account would be about 3 million tons. Under working expenses, the Revised Estimates show a net decrease, compared to Budget, of Rs. 2·14 crores. After the contribuiation to the Depreciation Reserve Fund of Rs. 65 crores, and with the variations under miscellaneous expenses and under the amount of Dividend payable to General Revenues, the surplus— creditable to Development Fund—is now expected to be Rs. 16·48 crores, against a Budget Estimate of Rs. 8·64 crores. Even this increased surplus cannot be regarded as satisfactory in relation to an average annual expenditure, in the Third Plan, of about Rs. 23 crores on works chargeable to the Development Fund. It should be remembered that this Fund is built up entirely from the annual Railway surpluses.

5. Turning now to the estimates of the Budget Year (1962-63), the total Gross Traffic Receipts have been placed tentatively, at this stage, at Rs. 524·10 crores. In framing these estimates ,only a slight increase has been allowed for under passenger traffic, as there is little likelihood of a further large increase in passenger traffic, next year, conssidering the vey large increase in this traffic which has already accrued in the current year. An increase in goods traffic, of roughly 15 million originating tons more than during 1961-62, has been pro-

[Shri Jagjivan Ram]

vided for, keeping in view the targets of the Third Plan. Revenue Working Expenses are expected to increase by about Rs. 15·21 crores over the current year's figure, of which increase, about Rs. 8 crores are due to the increased cost of operation corresponding to the anticipated increase in the level of passenger and goods traffic, about Rs. 5 crores due to more repairs and maintenance of assets, including Rolling Stock, as a result of year to year increase in the volume of the assets and of their use, about Rs. 1·6 crores due to the assumption of "Common Carrier Liability" over the whole of 1962-63 as compared to three months of 1961-62, and about Rs. 0·4 crore due to a full year's effect of the recent increases in the price of coal including that from 29th December 1961 which operates for only three months of the current year, as also the increase in excise duty. Notwithstanding these increases in working costs in 1962-63, the net receipts will improve over 1961-62. Taking the figures before payment of contribution from Revenue to the Depreciation Reserve Fund and payments to the General Revenues on account of dividend on Capital and in lieu of passenger fare tax, the net receipts are expected to increase from Rs. 157·18 crores in 1961-62, to Rs. 162·01 crores in 1962-63. On the other hand, the appropriation to Depreciation Reserve Fund will increase from Rs. 65 crores in 1961-62, to Rs. 67 crores in 1962-63, in accordance with the recommendations of the 1960 Convention Committee. The Dividend to General Revenues is expected to increase to Rs. 69·35 crores, against Rs. 63·20 crores in the current year. In the result, the Surplus will be about Rs. 13.16 crores, which is proposed to be credited entirely to the Development Fund. This will be very much short of the expenditure that will have to be incurred in 1962-63 on works chargeable to the Fund. Unless the Railway resources are augmented, a temporary loan from General Revenues of such magnitude as will be able to finance the Fund, will be unavoidable.

6. Coming to the Works, Rolling Stock and Machinery Budget, the Railways' Revised Estimate for the current year is Rs. 264·68 crores, against the sum of Rs. 260 crores originally provided, or an increase of Rs. 4·68 crores over the Budget, in expectation of speedier execution of Plan works. The additional provision is being covered by Supplementary Demands. The Budget for the Rolling Stock, Works and Machinery Programme for the coming year, 1962-63, is placed at Rs. 295 crores, and takes into account increased expenditure on account of important works which are to be carried out and procurement, especially of rolling stock, that will have to be made, in the second and third years of the Third Plan period in order that the targets of the Plan can be achieved. Details of the provision of Rs. 295 crores are given in the relevant portion of the Explanatory Memorandum on the Budget.

7. I would invite the attention of the Hon. Members to the introductory note to the White Paper, which brings out the phenomenal expansion in rail capacity and the achievements of the Railways during the last decade or so—in the First and Second Five Year Plans—, as well as the Railways' programme in the Third Plan. In my last Budget Speech, I referred to the tentative allocation for the Railways' Third Five Year Plan, of Rs. 1,255 crores, corresponding to an increase in the originating traffic to about 235 million tons. The Third Plan as finalised provides for an upward revision in the quantities of coal movement, the setting up of Bokaro Steel Plant and the construction of a port at Haldia in West Bengal. The target of freight movement, placed at 245 million originating tons in the Third Plan, will be materially exceeded on account of movement of coal from collieries to washeries preceding their movement from the washeries to their final consumers. The question of increasing the Rail-

ways' Capital programme in the Plan —which at present is Re. 1,325 crores —is now under consideration. This amount includes Railways' own contribution towards expenditure on Capital works chargeable to Revenue, and to Depreciation Reserve Fund and Development Fund.

8. The problem of accidents on Railways has been engaging my aatention. Following the discussions in the Parliament after the unfortunate accidents at Ghatsila, Mainpuri and Kosgi during October/November, 1961, a Committee has been constituted, with Dr. H. N. Kunzru as Chairman, four Members of Parliament and two technical experts. The terms of reference of the Committee are to

(i) consider the question of accidents on Indian Railways.

(ii) suggest measures by which they can be further minimised.

The Committee has started its deliberations.

9. Railways are the largest single employer in the country and stand committed to a policy of progressive improvement in the measures of welfare for staff. Residential accommodation for the staff continues to be augmented at the rate of about 11,000 quarters every year. The number of beds added in Railway Hospitals, health units and chest clinics was 780, —including 109 T.B. beds in approved sanatoria—in 1960-61, and 180—including 72 T.B. beds in approved sanatoria —since April, 1961. Railway Schools and Railway aided schools and subsidised hostels for the children of railway employees, holiday homes for staff—including the one which is being set up in Srinagar,—schemes financed from the Staff Benefit Fund, such as handicraft centres for the benefit of families of railwaymen and scholarships to children of railway employees for technical education, have all continued to function with increasing usefulness. In addition to financing staff welfare measures from Railway Revenues, a "Railway Minister's Welfare and Relief Fund" has recently been set up, under the management of the Ministry of Railways, to be fed from voluntary donations of railwaymen or others and from proceeds of special entertainment shows organised by Railwaymen, etc. The Fund is meant to provide assistance to employees, or to dependents of deceased employees left in straitened circumstances, in cases in which the normal rules cannot provide relief or cannot provide adequate relief. Grants have been given in some 20 individual cases so far, from out of a collection to the Fund of about Rs. 2,25,000. On the occasion of the recent centenary celebrations of the Railway Workshop at Jamalpur, I also donated Rs. 25,000 from the Fund, for the collective rehabilitation of railway staff and their families in this area who had been badly hit by the unprecedented floods of 1961. The staff had, through their own splendid efforts, raised a sum of Rs. 10,000 for this cause.

10. I am glad to say that the staff relations during the year have been generally cordial and satisfactory. I feel confident that, with the courage, devotion to duty and patriotism, of all ranks of Railwaymen, Indian Railways will progress from strength to strength in the years to come and will successfully discharge the responsibilities placed on their shoulders.

12.37 hrs.

STATE FINANCIAL CORPORATIONS (AMENDMENT) BILL, 1961

Mr. Speaker: The House will now take up the consideration of the Bill further to amend the State Financial Corporations Act, 1951.

The Deputy Minister of Finance (Shri B. R. Bhagat): I beg to move*:

> "That the Bill further to amend the State Financial Corporations Act, 1951, be taken into consideration."

As the House is aware, the State Financial Corporations Act was passed in 1951 to provide for the establishment of State Financial Corporations in the States for rendering financial assistance to small and medium-scale industries. Under this Act, all the States have established Financial Corporations in their respective territories except the Madras State where the Madras Industrial Investment Corporation Limited is functioning as a Financial Corporation for that State. In the Union Territories of Delhi and Tripura the jurisdiction of the Punjab and Assam State Financial Corporations Acts respectively have been extended to serve the needs of the industr in those territories. The question of extending the jurisdiction of the Punjab and Assam Corporations to Himachal Pradesh and Manipur respectively is under consideration.

Since the last amendment of the Act in 1956 the administration of the Act has brought to light the need to amend it in certain respects to ensure smooth functioning of the Corporations. The amendments now before the House were considered at the annual conferences of the representatives of the Financial Corporations held under the aegis of the Reserve Bank of India in 1958, 1959 and 1960. The amendments recommended by these conferences have been considered by the Reserve Bank and the State Governments and it is now proposed to amend the Act suitably.

The House might recall that the Industrial Finance Corporation Act, 1948 was amended in 1960 with a view to enlarging the scope of the activities of the Industrial Finance Corporation. The State Financial Corporations which function as supplementary corporations, one in each State, for providing financial assistance to medium and small-scale industries should, it is felt, also be enabled to enlarge their field of operations on comparable lines with adequate augmentation of their resources in order that they may play their part fully in their own field by diversifying and widening their activities.

The State Financial Corporations have made commendable improvements during the last few years in their overall business. The loans sanctioned by these Corporations up to September 1961 aggregate to Rs. 29·55 crores in respect of 1, 547, applications, against which the disbursements were of the order of Rs. 19·59 crores. It may be mentioned in this connection that about 30 per cent of the total loans sanctioned, namely, Rs. 8·85 crores, was for small-scale industrial units numbering 1,076.

I now turn to explain briefly some of the important amendments before the House. It is proposed, firstly, in Clause 2 of the Bill that the State Financial Corporations should be enabled to provide financial assistance to the hotel industry and industrial concerns engaged in inland water and road transport and the development of industrial estates. The hotel industry is important from the point of view of earning foreign exchange through the inflow of tourist traffic from abroad. The road and river transport facilities require to be expanded considerably to cope with the increased industrial production envisaged in the Third Plan. Financing the setting up of industrial estates will provide a fillip to the much-needed development of small-scale industries.

I have already indicated the need to augment the reserves of the Corporation. In this connection I would like to explain at some length the provisions of clause 5 of the Bill which seeks to amend sections 7 and 8 of the Act dealing with the borrowing powers and deposits of the Corporations in addition to the existing borrowing powers it is now proposed to enable the Corporations to borrow money from the State Governments concerned and financial institutions notified by the Central Government on terms to be agreed upon and from the Reserve Bank repayable on the expiry of fixed periods not exceeding 18 months.

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*Moved with the recommendation of the President.

At present the aggregate of outstanding bonds and debentures and contingent liabilities of a Corporation in the form of guarantees given by it or underwriting agreements entered into by it shall not exceed five times the paid-up capital and reserve fund of the Corporation. It is now proposed that the existing limit of five times be increased to ten times. The enhanced limit will also include the new borrowings from the Reserve Bank, the State Government and the notified financial institutions. Simultaneously it is also proposed to limit the contingent liabilities of Corporation to twice the paid-up capital and reserve fund of the Corporation and in special circumstances up to three times with the prior approval of the State Government and in consultation with the Reserve Bank. This restriction is sought to be imposed in clause 10 of the Bill to which I shall revert later.

Besides these further facilities are also proposed to be extended to the Corporations to attract funds in the shape of deposits. Section 8 of the Act which provides for acceptance of deposits from the public repayable after the expiry of a period which shall not be less than five years has remained more or less inoperative on account of the difficulties experienced in raising such long-term deposits. It is now proposed to reduce the period of deposits to twelve months or more and also secure them by the guarantee of the State Government concerned so as to make them sufficiently attractive to the investor.

The amendment to section 8 is also meant to enable the acceptance of deposits from the State Governments concerned.

Another important amendment which is being incorporated is for the purpose of diversification and enlargement of businesses transacted by the State Financial Corporations. Clause 10 of the Bill seeks to amend section 25 of the Act adding new business and enlarging existing ones. The two new businesses are, firstly, the guaranteeing of loans raised by industrial concerns from scheduled banks and co-operative banks and, secondly, the guaranteeing of deferred payment due from any industrial concern in connection with its purchase of capital goods within India. The enlargement of existing business as proposed in the Bill fall mainly under three heads. Firstly, the Corporations will be enabled to retain as part of their assets stocks, shares, bonds or debentures of an industrial concern taken up in the fulfilment of underwriting liabilities for a period beyond seven years from the date of acquisition with the prior permission of the Reserve Bank and will also be able to subscribe to right shares if the industrial concern increases its capital. Secondly, the Corporations will be enabled to convert their loans or advances or debentures into share capital of the industrial concern and, as a sequel, to subscribe to right shares if fresh capital is issued by such a concern.

Thirdly, the Corporation will be able to act as agents of any financial institution specially notified by the Central Government. These new activities which the State Financial Corporations will be able to embark upon are more or less similar to those approved by the House in the case of the Industrial Finance Corporation in December, 1960.

[Shri B. R. Bhagat]

This clause also seeks to provide a limit on the contingent liabilities of a financial corporation a brief reference to which I have made earlier while dealing with clause 5.

Before I conclude I may explain one other important amendment which seeks to liberalise the limit of accommodation which a Corporation may extend to a single industrial concern. Under section 26 of the Act the State Financial Corporations cannot enter into any arrangement in respect of guaranteeing of loans raised by industrial concerns and loans or advances granted to or subscription to debentures of industrial concerns for an amount equivalent in the aggregate to more than 10 per cent of the paid-up share capital of the Corporation but in no case exceeding Rs. 10 lakhs. The paid-up share capital of each of these Financial Corporations except those of Orissa and Jammu and Kashmir is Rs. 1 crores. In consequence the Financial Corporations cannot grant financial accommodation exceeding Rs. 10 lakhs in the aggregate to a single industrial concern. In view of the all round increase in the cost of land, building, plant, machinery etc. since the passage of the Act in 1951 the question of revising upward the limit of Rs. 10 lakhs deserves consideration. It is proposed as dispense with the alternative limit expressed as percentage of the paid-up share capital and provide the two limits of Rs. 10 lakhs and Rs. 20 lakhs calculated with reference to the outstanding loans due from an industrial concern instead of the aggregate amount of loans sanctioned from time to time. The enhanced limit of accommodation of Rs. 20 lakhs will be applicable only to industrial concerns which are public limited companies or co-operative societies. This is in consonance with the need to provide incentives to the wider participation of the public in the corporate industrial sector of the economy.

Of the rest of the amendments which are minor I may specially mention one. Clause 19 of the Bill seeks to provide for the establishment of a special reserve fund to which will be transferred by mutual agreement the whole or a portion of the dividends accruing to the State Government and the Reserve Bank of India on the share capital held by them in a State Financial Corporation. The retention of the dividends with the Corporation will augment the reserve fund of the Corporation. This provision is similar to the provision of section 32A of the Industrial Finance Corporation Act, 1948.

The other amendments have been explained in the notes on clauses and are consequential, clarificatory or procedural in nature and I need not take any further time of the House to explain them.

With these remarks I commend the Bill to the House for consideration.

Mr. Speaker: Motion moved:

> "That the Bill further to amend the State Financial Corporations Act, 1951, be taken into consideration."

Shri Warior (Trichur): Mr. Speaker, Sir, of the amendments sought to be made to the parent Act the main amendment is to the definition by clause 2 where 'industrial concern' is re-defined. The new definition gives powers to the Government to include certain categories of industries, such as, the hotel industry, the road transport industry, the water transport industry and the like. The rest are electricity and some other industries and industrial estates.

As far as the road transport industry and the hotel industry are concerned, it is true that by the Industrial Finance Corporation (Amendment) Act of 1960 inroads were made into those clauses and the hotel industry was included. But what was the result of the working of the amendment to that Act? Without looking into the security and other aspects of investment, the Industrial Finance Corporation, we find, had given certain loans and aid to certain hotels which to our mind were not necessary at all because, as at present constituted, that industry does not at all require any aid from the State Government. If it is a hotel of the Centrally sponsored nature, like, the Ashoka Hotel, we do not mind if some aid is given, but when it is a case of a private concern we do not know how the hotel is run, for what purpose it is run, for which section of the public it is catering, whether foreign or Indian. We do not know all those details. Why, at this juncture of the hour when money is so tight and every pie of investment must go to the medium and small-scale industries, these big hotels are to be aided by the Government is not known to us. Practically that is unnecessary. The very same thing is sought to be amended here also. In 1961, when the parent Act was introduced in this House, we found that the main object was to encourage medium and small-scale industries in the States, especially States which were very backward as far as industrialisation was concerned. That object has not yet been gained. From the report available about the working of the several State Financial Corporations and the review made by the Central Government, we find that that object is not gained. In the last review, we found it was only 800 and odd industries that were financed or aided by these corporations. Now, the Minister was pleased to say that it comes to about 1004 or something like that.

Shri B. R. Bhagat: Number of industries—1076.

Shri Warior: That is all that has been gained. All the Corporations of all the fourteen States together have contributed to aid 1076 small-scale and medium industries alone. Look at the expanse of the country. The real situation as far as the medium and small-scale industries are concerned, and the demands of the small industrialists who are engaged in the small-scale industries are concerned, is, the applications are so many. After getting all the applications, we will find that only a very meagre percentage of the applications received by the State Finance Corporations are sanctioned and by the time, the sanction is coming up, many of the applications will be withdrawn. I have looked into the annual reports of many of the State Finance Corporations and I have found that by the time money is available to the small industrialists, the very object for which the loan or aid is sought has lapsed and the money will not be useful for that purpose and they withdraw the applications themselves. That is the practice usually. There are many industrialists who wait for a long time to get the loan. But, actually, it will not come in proper time. If aid is not given in the proper time, it is not sought afterwards. The aid does not give any benefit to the industry.

That being the situation, now, this amendment seeks to extend it to the transport industry. I do not know about the road transport industry in other States. As far as the south is concerned, the entire road transport industry is almost a monopoly now. Wherever you go in Tamil Nad or Kerala or Mysore, you will see the same sign-board on the buses: T.V.S. or Narayanan or this and that. A few monopolists are monopolising the entire road transport. You will also remember, Railway Ministers had been crying hoarse that the cream of this traffic had been monopolised by road transport at the expense of Railways. The railways do not get this traffic, but the road transport is taking it, thus starving the railways. Here, now, another branch of the Government comes to this House and asks for extending it to road transport. Which road transport industry is suffering now for want of aid, we do not know. Because, in road transport, huge profits are accumulated by the monopolist companies. As far as the south is concerned, I am quite certain that most of them are private concerns: not public concerns, not even public limit-

[Shri Warior]

ed companies—private proprietorships or partnerships. Why should the State Financial Corporations with meagre resources, with a paid-up capital of Rs. 1 crore, extend aid to these monopolistic concerns, to increase or extend their business in this industry? So also in the hotel industry. I have very serious objection to extending this facility which ought to be somewhere else to those who do not deserve at all this sort of aid from the Financial corporations. That is the main objection. That is why I want to limit it to the newly coming up industrial estates.

As far as the industrial estates are concerned, except very few like that in Guindy or in some other places in the north, all the industrial estates are mostly deserted places so to say. No industrialist will go to an industrial estate unless he is cock-sure that he will get some aid from the Government in the form of either capital or raw material. If one is sure of getting aid, he will go to the industrial estate. Otherwise, why should he go there? If an industry is located in an urban area, there are so many conveniences like conveyance, supply of electricity, water and all these things. Naturally, industrial estates are located in some spacious place outside villages. They have to sacrifice all these conveniences. Why should they go to an industrial estate? Mainly for the purpose of getting some aid from the Government in the form of either finance or in the form of raw materials and supplies and facilities for the supply of the produced articles to the Government. Looking into the working of industrial estates, you will find that most of them are not patronised by small-scale industrialists. Because, there is difficulty of getting financial help or other help which they require. This amendment now extending the facility to industrial estates is welcome and I think that that must be accepted.

Coming to the working of the State Financial Corporations, this is more or less an appendage of the Industrial Finance Corporation. The Industrial Finance Corporation is aiding or giving big loans to monopolistic concerns in big business. A reading of the whole list of the investments which the Industrial Finance Corporation has made in big business will be astounding. I have a small brochure giving the experience gained by these investments. Many of these loans are being given irrespective of either priorities from the point of view of industrial development or of the internal resources of the borrowers. The Third annual report the working and Administration of the Companies Act, 1960, has to inform us on this subject—it is a very pertinent and relevant portion which I will read here—

> "Cases have come to notice where companies with large reserves have invested heavy amounts in shares of other companies in the same group while borrowing heavily from Government and quasi-Government Institutions like the Industrial Finance Corporation, State Bank of India, National Industrial Development Corporation, etc. While these companies appeared to be financially sound and could have apparently met their needs for expansion or modernisation of their plant and machinery by converting their investments into cash, they have preferred to borrow from outside bodies."

The reserves of these big companies are sufficient for modernisation or expansion of the existing units of their industry. Still, what do they do? The surplus cash available or surplus reserves available are invested in some other companies so that they will have a chain control of the whole industry or allied industries or accessory industries. For their own needs of cash for the existing unit of the industry, they borrow from the Financial Corporations or Financial institutions of the Government. It is not that their particular industry is suffering for want of cash or capital. They have sufficient liquid capital. That liquid capital is invested somewhere else because that may fetch more industrial power in their hands or more profit in their hands. They seek to reimburse that amount which they are investing like that from government institutions which are there to aid industrial expansion.

This would not aid industrial expansion at all.

13 hrs.

Last time, we had occasion to speak here about the working of the Industrial Finance Corporation. It was pointed out at that time that the major part of the funds of the Industrial Finance Corporation were invested in the textile and sugar industries. Are those the industries which we want to expand in this country. On the one hand, we are crying that the industrial production of the sugar and textile industries reached saturation point, and unless and until we can export huge quantities, we cannot sustain those industries. On the other hand, we find that these financial corporations are investing more money in those industries only, whereas other industries which are vital to the country, and which are basic industries, and which are the need of the hour, and which are a prime factor in industrialisation of any country are starving.

Take, for instance, the chemical industry. If you look at the picture of the chemical industry in India, you will find that especially in the south, from which I come, there is so much scope. There is scope for expanding the titanium dioxide industry in Kerala, or the ilmenite industry or the rare earths factory at Alwaye and so on. But we find that all these industries do not expand at all. Then, the carbon-dioxide industry is also starving for want of capital. Not only were the State Government not allowed to give any amount to aid that industry, but from the Central resources also, that industry did not get any aid. Hence, my plea with the Government and with the Ministry is that more funds must be diverted from the Industrial Finance Corporation at the Centre and the State Financial Corporations to these industries, and aid must be restricted only to those industrial concerns which have a fixed capital. of Rs. 10 lakhs or less only. No industry with a fixed capital of over and above Rs. 10 lakhs should be given any aid at least for the present. After having worked it on these lines, if we find that a number of small-scale and medium-scale industries have come up, then we can reconsider this matter and see if we can lift this ban in order to aid the large-scale industries.

In 1951, when the debate took place in this House on the parent Bill, it was pointed out by the speakers at that time, and it was more or less accepted also by the then Finance Minister, Mr. C. D. Deshmukh, that this corporation was intended more for the small-scale and medium-scale industries, especially in the rural parts. Unles and until the rural parts have a crop of medium and small-scale industries there is no hope of bridging the gulf between the countryside and the urban areas, which is a very wide one today. Unless and until this is done, improvement of roads will not take place in the rural areas; no conveyances will go there, and the rural parts will remain totally neglected. It is for that purpose that the State Finance Corporations were set up, and they were given a directive that their funds should not be directed for any other purpose except to promote the growth of small-scale and medium-scale industries. That object has not been gained as yet. It is true that something may have been done, but that something is very meagre and most unsatisfactory in the present conditions. Hence, I would plead with the Government, before they take up a new line of industries such as the hotel industry, the

[Shri Warior]

transport industry, the water industry and so on, to check up the entire picture and find out what new industries are necessary, and where and how the money should be invested.

I find also that there is a dangerous departure which is sought to be made. Now, we are going to guarantee the loans from the scheduled banks. At present, the financial trend in the country is such that, as far as I can gauge, no banks are coming forward to guarantee the operations of the small industries, with the result that many of the small industries which are starting go down after some time. Infantile mortality in the small industries is probably much more than what it is among human beings, because no proper aid is given to these small industries at the proper time. Raw material is a difficult proposition for them. Again, supplies are a difficult proposition. Coal is also another difficult problem. After all these difficulties are overcome, when the production goes to the market, there is no proper market at all for it. Then, there is the question of standards also. In view of all these difficulties, it is quite easy to understand why the banks are not guaranteeing the loans or the production of these small-scale industries.

The Reserve Bank itself has issued a directive, as far as I know, to restrict these advances, because there is no guarantee that they will come up or that their securities will be enough, after a certain period. Now, loans are advanced on mortgages of their assets, both movable and immovable. After a time, how do we know that these mortgages will cover at least 50 per cent?

As far as bank loans are concerned, I am very doubtful as to why they should be guaranteed by Government. I hope the Ministry will be very careful while giving this guarantee. Of course, I know they are very careful about it; I do not doubt it. But supposing it is a bank like the Palai Bank, then what will be the effect? If a guarantee is forthcoming from Government, then any petty bank will readily give money to any petty fellow, without even looking into the securities. Who is there to vet the securities? What is the machinery with Government to vet these securities furnished by the small-scale and medium-scale industries? As one who knows something about the working of these State finance corporations, and as one who is coming from the practical field, I would say this . . .

Shri B. R. Bhagat: On a point of clarification. Does the hon. Member object to the guaranteeing of loans advanced by the scheduled banks to the small-scale industries?

Shri Warior: Yes.

Mr. Speaker: If the loans are guaranteed, who is there to check whether the guarantee has been correctly given or not? So, what the hon. Member wants to say is that we should ensure that money is not thrown away.

Shri B. R. Bhagat: I shall explain that in the course of my reply.

Shri Harish Chandra Mathur (Pali): We had approved of the guarantee scheme here.

Mr. Speaker: The hon. Member will have his turn to speak later.

Shri Warior: If the securities are to cover properly all the loans advanced by the banks, the banks will be in a much better position to scrutinise and to probe and go into the details of the assets and see whether they will cover the entire loan. Why should Government give that guarantee? Once Government give the guarantee, I would warn the Ministry that any petty bank will be willing to give money to any petty fellow without even looking into the securities, because the guarantee is there. Since the Government will pay, why should the banker worry about it? The banker will not worry at all about it, because that is the meaning of guarantee itself. Suppose there is a fellow who is not able to provide proper securities, and who is taking loans, then, another fellow who is completely solvent and who has greater financial standing stands as surety for him, and no bank will worry about the first person or the applicant, because the surety is there to furnish the amount if the first person defaults.

From this point of view, I feel that in a changing economy, in an economy which is always oscillating this side and that side, it is very dangerous for Government to undertake to guarantee the loans advanced by scheduled banks to the industries. Why should not Government directly give loans to the industries? Why should the medium of the banks be sought for this purpose? In this connection, I might point out that when the parent Bill was considered here, it was mentioned that the industrialists, especially the new industrialists who were coming up, should not be at the mercy of the banks because they did not charge a reasonable rate of interest, and moreover other persons will then be able to utilise these banks to squeeze the small industries of all that they have gained, and thus, the small industries will be left without any protection. So, it was to avoid the interference of banks too much in the industrialisation of the country that the responsibility was taken over by Government, and the parent Bill was introduced.

13·09 hrs.

[MR. SEAKER *in the Chair*]

That Bill was introduced in order to save people from the clutches of the banks. But we find that Government are now again guaranteeing the bank loans, thereby giving the banks once again a prominent place in the nature of things. That is objectionable, and I think that Government must probe into this matter more carefully. Otherwise, there is the big danger of finances being invested by banks in unscrupulous hands without proper securities, and Government will be obliged to pay back the amounts, if they guarantee.

I would also like to point out that all the State Finance Corporations are not of the same kind. From the operations of these financial corporations we find that most of the credit will go to certain areas only which are already industrially far advanced, such as Bombay, Calcutta, Kanpur and Madras. Analysing the figures, we will find that most of the huge investments were made by the Industrial Finance Corporation in these areas, and those areas which have not got such huge industrial development do not get their share. But the State Financial Corporations are primarily intended to meet the demand for this investment in these backward areas. This must be attended to. The Industrial Finance Corporation itself must have a view of the whole picture. It must invest not only in certain big industries, but its resources must also be diverted to the backward areas through the medium of the State Financial Corporations. Thus the neglected areas of the country must be given some help to establish and promote small and medium industries. This could be done, but this aspect is now neglected. Instead, all the investment is flowing in the same channel in the same direction of certain big industries in some areas. It will loom large as States like Maharashtra or West Bengal being helped. I do not say that the thing is going to the entire West Bengal or entire Maharashtra. It is going only to cities like Bombay and Calcutta

[Shri Warior]

where industries have grown; most of the resources are diverted to these places. I suggest that a portion of the amount available with the IFC must be channelised into the backward areas so that small-scale and medium industries may grow up in those areas and the leg between one place and another and one region and another will be removed and disparity also eliminated, thus ensuring that some sort of uniformity of growth in the whole country is attained.

With these observations, I support the Bill.

Shri Harish Chandra Mathur: Mr. Deputy-Speaker, Sir, there have been many occasions when we have differed from our friends sitting opposite, but I was really amazed today when my hon. friend who preceded me voiced certain feelings and made out arguments which went so much against the small-scale industrialist. I am afraid most of his criticism arose out of ignorance, possibly because he was not informed, and he did not know what the guarantee scheme was.

The guarantee scheme which, as a matter of fact, stands approved by this House, which had been mentioned by the hon. Finance Minister on earlier occasions and regarding which we have always asked certain anxious questions, is one of the most important schemes which have been devised by the Finance Ministry to help the small-scale industrialist, so that loans which would otherwise be not available to him might made available to him through the State Bank and the scheduled banks, as the Reserve Bank, acting as agent of the Government of India, functions there to encourage scheduled banks as well as the State Bank to advance loans to such units which would otherwise not be considered by these banks. The idea is that comparatively weaker units may get financial sustenance and come up. This is a scheme which almost stands approved by this House. All the deliberations which have taken place on this subject have all the time been urging on Government the need for expansion and extension of this scheme to wider areas and wider fields. This scheme is intended primarily for the small-scale industrialist so that he may be assisted. This is with reference to one of the points raised by my hon. friend.

When I rose to speak on this amending Bill, I had many many more things in mind. I am afraid that we have not done any justice to our ten years experience of the working of the State Fnancial Corporations. It is quite a number of years since we passed this legislation, and in many States the State Financial Corporations have been in operation and are doing their job in a particular manner. What is our experience of the working of these corporations? It is possibly as a result of the working of these corporations in various States that now the hon. Minister has brought forward this amending Bill, with a view to strengthen these corporations, by giving them certain borrowing powers and by permitting them to have deposits. Possibly he further wants—rather it is clear—to enlarge the orbit of their operations to bring under their cover certain industries which had otherwise been excluded. But I would like to pose a question to my hon. friend, whether it is for lack of resources that the small-scale industrialist has not been served by these corporations satisfactorily. I do not know. All the financial corporations put together have sanctioned loans to the tune of about Rs. 29 crores, out of which loans granted are about Rs. 19 crores, out of which, again, what falls to the share of the small-scale industries—these are figures which my hon. friend gave and I believe I remember them correctly—is no more than Rs. 8 crores.

Now, we have been trying to do everything possible to encourage the growth and development of small-scale industry during these two Plans, and we had laid a particular emphasis in the Second Plan on the growth and development of small-scale industry. The State Financial Corporations are the only instrument for advancing loans to them and giving them a little fillip. But what is the assistance which has been given during all these years by all the State Financial Corporations put together? A most insignificant figure of about Rs. 8 crores! Can we look at the performance of these corporations with any amount of satisfaction? What is the total quantum that would be required? I was just looking up the Third Five Year Plan. As a member of the Working Group on small-scale industries I know that we had worked out that possibly during the Third Plan, small-scale industries would require an investment of Rs. 300—400 crores. In the Second Plan, they must have require about Rs. 300 crores. Out of the Rs. 300 crores, the accommodation given by the Government through all the Financial Corporations—the main instrument for financing and assisting small-scale industries—is about Rs. 8 crores. Could we not call this a completely and thoroughly woeful and disgraceful state of affairs? Was it for lack of resources that this happened?

Now that we want to augment the resources, the first question I pose is: was it for lack of resources that we put up this performance? If you look at the resources position, you will find that even at present there is an amount of about Rs. 7½ crores lying unutilised with these corporations. If such an amount remains unused, we have got to look at the deeper reasons, not only to give a camouflage and coverage by saying that we are including this industry and that industry which can readily take loans and that we are strengthening the corporations by giving them further powers of borrowing and deposits. We have not been able to utilise even the amount which has already been made available to these corporations, and the small industries, as everyone knows, are in a starving conditions. So there is something very fundamentally wrong with the working of these corporations and we must understand this fact.

Therefore, the main thing is to examine and look into the working of these corporations and to remove the bottlenecks and difficulties which stand in the way of these small-scale industries.

My hon. friend said that the small-industrialist had to wait for a long time and therefore he got disgusted and frustrated. I say he does not go to these finance corporations at all; he hates going to them because they have not proved themselevs to be a fit instrument for the financing of the small-scale industry. Therefore, I wish to submit that the first requirement is not only widening the range and enlarging the coverage, not only strengthening the resources of these corporations, but making them a fit instrument for the small-scale industrialist.

My hon. friend was objecting—I do not know why, it was really surprising—to the secrity clause and to the guarantee scheme. It is exactly here that the bottleneck lies. All the chairmen of the finance corporations who have discussed it from year to year and even the Governor of the Reserve Bank—I am afraid we have not been listening been to him—has said that we must bring about a fundamental change in the policy and the procedures of working of these corporations. What are those fundamental changes in the policy and the working of these corporations about which everybody in this House has been arguing, about which the Finance Minister himself when he spoke the other day to the schedule banks, had argued, about

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which the Governor of the Reserve Bank has been arguing? The Finance Minister, I understand, only a few months ago, while addressing the representatives of the various scheduled banks of the country here, was pleading with them to change their mental outlook and attitude. He requested them to ask for securities, not to be very rigid about it. He wanted them to see whether there was a productive programme before them, whether the small-scale industrialist who came before them had a good scheme, whether he was creditworthy in his own person. In our country, a brilliant and promising engineer with a good productive programme cannot borrow Rs. 5,0000 or even Rs. 500 from any bank. Therefore, he was all the time pleading with them, he wanted to encourage them to help the small-scale indutrialist by changing their attitude and approach. But I ask the Finance Minister whether he himself has changed his attitude when it comes to his own job, when he is going to amend this Bill. Has he adopted that attitude, has he removed that rigidity and restriction which section 25 of this Act enforces, that every loan which is advanced by the finance corporations must be adequately secured by this, that and the other? It is hemmed in by all sorts of things. Whatever you do, the benefit will be taken only by the moneyed people, who will definitely get richer. It is not the brilliant, promising engineer, the small entrepreneur who will benefit from these financial corporations. We in Parliament have been talking here in this strain, the Finance Minister and the Governor of the Reserve Bank have been talking in this strain, but nothing happens, and we go in the same old-fashioned manner, with that rigid attitude, only helping the moneyed people and not at all being development-minded. We are asking even the scheduled banks to reorientate themselves. So, these finance corporations, which were devised in addition to the scheduled banks so that they might help the growth and development of the small-scale industry, should develop an entirely different attitude. How are the poor people who are running these corporations going to help the small-scale industry if their powers are curtailed, if they are bound hand and foot by these provisions? You want the scheduled banks to change while these special institutions which were established for this particular purpose are functioning in this manner. Therefore, I wish my hon. friend tells us first whether these finance corporations have any developmental outlook, whether they have any promotional responsibilities. If they have a developmental outlook and promotional responsibilities, and if they are not to be only security-minded, how are they going to function when section 25 continues to remain as it is on the statute-book?

Secondly, do they realise that these corporations have absolutely no agencies for working? They are situated in the cities which are the capitals of the various states. They have no branches anywhere, and they have no field agency. We expect them to go to the entrepreneur's door, even the Governor of the Reserve Bank suggested it, but nothing doing. Have they done anything in this direction? Do we want to proceed in that direction? It may give some self-satisfaction to my hon. friend the Finance Minister bringing forward this Bill to think that he is doing so much for the small-scale industry, but I have very grave apprehensions that, by enlarging the scope of the Act to cover the hotel industry — I am not against covering the hotel industry—and the transport industry, the small-scale industry which is very difficult to approach will be starved and completely neglected. That will automatically happen because where are the hotels going to be built—in the capital cities where the tourist goes, where the corporation is situated. They will certainly take advantage of this, but have we devised these corporations for that purpose? That was not the purpose for which we devised them. We devised them, as my hon. friend very correctly pointed out, so that they might be special instruments of financing, so that industry could go to the backward areas. Is there any amendment in the proposed Bill which will go even a little distance in that direction? I do not see that direction at all in the Bill before us.

Then, what is the management of these corporations like? Without meaning any disrespect to any person, I may say we have got here half a dozen institutions, big institutions to accommodate, to give assistance to the large-scale industry. Large-scale industry has been crying hoarse in this country against the public sector, but I venture to submit that nobody has benefited more during the last ten years than the private sector or large-scale industry in this country. And we have purposely promoted it, because we want development and industrialisation to go ahead. We do not bother about the hoarse cry of the private sector, we are not against it; rather, we would do anything for the development of large-scale industry. But this is the only institution which is there for the medium and small-scale industry, and even this is completely dominated everywhere by large-scale industry. Look at the personnel, the chairmen. Who are the chairmen of these corporations, what is their sympathy for the small-scale industry? There are big men, a Poddar, a Birla or somebody else, who are the chairmen of these corporations. Is this the way you want to bring about socialism, you want small-scale industry to grow? I lodge my strong resentment against the composition of these corporations. The small-scale industrialist must be heavily represented on all these corporations, these financial instruments which are meant more for the development of the small-scale industry in all the various sectors and in the backward areas.

Therefore, I would strongly appeal to my hon. friend to look to these great bottlenecks which are there. I do not object, as I submitted, to the hotel industry or even to the transport industry being included. My friend may have in view a few big firms which are dominating or monopolising the transport industry, but there are thousands and thousands of small transport runners, and we in the Transport Reorganisation Committee had recommended that we must give them special assistance. We know that they have got to take loans at rates which run from 12 to 36 per cent. As my friend may know, even in Delhi, so many houses have come up just to fleece the small transport man, and in turn he fleeces the public. It would only be proper that we extended this to cover the transport industry.

I would also not object to covering the hotel industry. Hotel industry, in this country, has lagged woefully behind. If our friends were to collect figures, they will find that there is too much of tourist traffic, that it has doubled and trebled while hotel accommodation has not gone up by even 25 to 40 per cent. So, this industry has got to keep pace with tourism in the country. Thousands of people coming out from foreign countries and millions of people travelling from place to place in this country itself must find some accommodation.

I do not know what type of hotels are envisaged. But, certainly, this industry will have to grow with the mobility which is gaining ground every day. I do no object to this; but I do definitely warn the Government that this should not in any way unbalance the assistance which is the legitimate right of the small entrepreneurs and the small-scale industrialists.

If you just go through the figures you will find that the loans sanctioned amount to Rs. 29 crores and the amount availed of is Rs 19 crores. What is the matter? There is something fundamentally wrong. What is the time lag between the loans sanctioned and the loans availed of? There are procedural rigidities which are mostly due to inefficient

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functioning of these corporations. It is not my allegation only that these corporations have given a poor performance, that they have not come up to our expectations. This is admitted by the corporations themselves; and this is the verdict of the Governor of the Reserve Bank. The facts and figures which I have quoted eloquently bear out these unfortunate allegations against the working of these corporations.

Shri Somani (Dausa): Mr. Deputy-Speaker, Sir, I wholeheartedly welcome this amending Bill which is primarily meant to diversify and enlarge the scope of activities of the State Financial Corporations. At a time when the tempo of our industrialisation is gaining momentum steadily, it is very appropriate that Government should have brought forward this Bill to liberalise and modify certain provisions of the present Act so that these corporations may play a more effective and dynamic role in stimulating the growth and development of small-scale and medium scale industries.

At the outset I would like to join issue with my hon. friend, Shri Mathur, who just preceded me, in regard to the rather unfounded allegations he made about the role of big businessmen in the running of these State Financial Corporations. I can understand somebody suspecting something about the position of these big businessmen in the functioning of the big corporations like the Industrial Finance Corporation or the Industrial Credit and Investment Corporation where the applications of big business houses are processed and sanctioned. But, so far as the State Financial Corporations are concerned, I would like to assure my hon. friend that nobody would be happier than these so-called big businessmen if they are allowed to get themselves relieved from their responsibilities in these corporations.

I am myself associated with the working of the Rajasthan State Financial Corporation. Two other big businessmen are also associated with it, one as Chairman and the other as a director. In its working during the last few years, I have found, from time to time, that some of us have asked the State Government to relieve us of our responsibilities. If, indeed, some of us have continued to be on the board—at least I know that in the case of Shri I. N. Birla who is in the Rajasthan Financial Corporation, he has expressed more than once his desire to relinquish his directorship—it is because we have been persuaded to remain there. I am only clarifying this aspect that these big businessmen have nothing to benefit from these corporations and that they have no industrial project or other things for which....

Shri Harish Chandra Mathur: The hon. Member is just giving an answer to what I said. I just want to know whether he agrees that the porformance of these corporations all over the country has been extremely poor and woeful and whether the managements shared any responsibility for that or not. I cannot compliment the Rajasthan Government if they cannot spare big businessmen.

Shri Somani: So far as the functioning of these corporations is concerned, I was myself coming to the point that I fully share the pessimistic views expressed by my hon. friend and I generally strongly endorse his sentiments about the very poor performance of the corporations in general. As a matter of fact, almost all the State Financial Corporations have been carrying on with subventions from the State Governments except, perhaps, the Maharashtra State Financial Corporation and it is shown by the nature of their activities.

But, in this connection, I would like to submit that if their performance has not been better and if they have not been able to render the service which is expected of them for the development of small-scale and medium scale industries, the blame lies elsewhere. The working of these corporations is governed, generally, by the policies that are laid down by Government under the Act and also by certain rules and regulations. As the hon. Minister himself has pointed out, the working of these corporations is reviewed every year at a conference of the Chairman of the various State Financial Corporations which is called by the Governor of the Reserve Bank.

An Hon. Member: And yet nothing happens.

Shri Somani: It is that policy which comes in the way of broadening or liberalising the scope of service of these corporations that we have to seek to modify. I, therefore, wholeheartedly endorse the feelings of my friend, Shri Mathur, that Government should apply its mind to ensure that these corporations really function more effectively and more usefully for the purpose for which they have been set up.

Here I may also make a passing reference to our friend from the opposition. I am really surprised—as my friend Shri Mathur was—at his raising obection to the guarantee scheme. He referred—and I also refer—to the observations of the hon. Finance Minister the other day regarding the encouragement which the scheduled banks should give in affording loan facilities to persons without security.

There is a practice in the United States of America where commercial banks give loans to persons of known integrity and reputation, good experience and technical knowledge, without any consideration of security. If our objective of broad-basing and diffusing the industry on the desired lines is to be achieved, then, not only this scheme of guarantee but something else has to be done to enable the banks and the State Government machinery to encourage the grant of such loans, without consideration of adequate security.

Here again I endorse the view of my hon. friend, Shri Mathur, that it is this rigid question of security which has come in the way of giving loans. In the case of Rajasthan, the State Financial Corporation has received a number of applications. When these applications have been processed, according to the rules and regulations, it has been found that quite a number of them have had to be rejected merely because they do not conform to the rules and regulations which the corporation is expected to observe in processing and sanctioning these applications. Therefore, at a time when we have a dynamic programme of industrialisation, we generally welcome this broad-basing of the industrial structure. For this it is desirable that Government should deliberately and positively encourage the taking of risks by these corporations and banks by not insisting rigidly on forms and security. This is coming mostly in the way of these state financial corporations going ahead giving that help which alone can really give a dynamic growth to the aim of industrialising the small-scale and medium-scale sector. The question of giving loans for working capital was raised at a series of conferences which the state financial corporation chairmen had with the Reserve Bank so that these corporations could be given the discretion to give loans even for working capital to the small and medium scale entrepreneurs. There are certain restrictions which prevent them going ahead as they would like to do. I welcome the liberalisation of the loan limit from Rs. 10 lakhs to Rs. 20 lakhs; at a time when the entire concept of economic size of an industrial unit is undergoing a rapid change, it was very necessary that this restriction of Rs. 10 lakhs should have been liberalised and I feel that it should have gone a little further,

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say to Rs. 25 lakhs or even Rs. 30 lakhs. But I welcome it so far as it goes.

I would like to draw the attention of the hon. Minister to one enabling clause which means that the state corporations could convert their loans into equity. This is a controversial point. Even at the time when the IFC was given this enabling power I had criticised it. The hon. Minister would admit that the experience of the International Finance Corporation in Washington whose mode of working generally is to give loans on convertible basis has come in the way of this country utilising the facilities available from that Corporation. Our Finance Ministry and various other business houses in this country as well as in some other countries have severely criticised the functioning of the International Finance Corporation because of the stipulation that they have. They stipulate that the loans can later on be converted into equity capital. That is to say, they link their loans to some clauses about the participation in future profits. The IFC deals only with big industries. But if the state corporations ask the small and medium entrepreneurs, at the stage when the concern does well and flourishes, for participation in their profits, I do not think it will be fair. I think the profits could be much better utilised in expanding and developing the meagre resources by themselves, rather than by the state finance corporations being allowed to participate in the flourishing conditions. So, it should be the policy of the Reserve Bank and the Central Government to discourage this option. These corporations should not be encouraged to call upon these small entrepreneurs to allow them to participate in their equity capital and to exercise their right of participation. I do not think this is a sound practice which will in any way promote or encourage the availability of finances for this sector. So, even if this clause could not be dropped at this stage, it should be applied in a manner which will be conducive to the growth and development of these industries.

My hon. friend Shri Mathur referred to the availability of technical and commercial services for these corporations. The big industries can look after themselves; they have got their own organisation at their disposal and they can formulate schemes and process them through various stages. But it will be very appropriate if the Government of India and the Reserve Bank took certain positive steps to strengthen the technical and commercial sections of these corporations so that they can render some positive service to the small and medium scale entrepreneurs. They can not only receive the applications and process them but can go out of the way to formulate schemes of potential industrial development in various areas of their States and any suitable person who wants to establish some medium or small scale industry should be able to seek the assistance even at the very initial stages. It is not enough that he makes up his mind and submits an application and then the state financial corporation comes into the picture. So, it is desirable that the technical, administrative and commercial services of these corporations should be substantially strengthened so that such enterprising persons can avail themselves of the available facilities. They can find out suitable schemes from a number of schemes available in the office of the corporation and start them if there is potentiality for development in certain regions of the State. This is an important aspect of a positive service which the state finance corporations could render. I do hope and trust that the Central Government will make some arrangement by which the state finance corporations will be able to strengthen their organisations to the extent where they can really be useful and active in the development of the industries.

Shri B. R. Bhagat: Mr. Deputy-Speaker, I am grateful to the hon. Members who participated in the debate for their very valuable comments. To begin with I shall take up some of the points raised by the hon. Member who initiated the debate. He criticised the liberalised provision to include industries like the hotel industries and inland water and road transport industries but welcomed the inclusion of the industrial estates for financial help by the State financial corporations. I think the comment is misconceived in respect of the first two industries, hotel and transport. His main objection was that this should not go to the private industries. If it is a hotel like the Asoka Hotel it is all right, he said but asked: why should it go to a big hotel or some other hotel run by the private industrialists? The misconception is that both the industrial finance corporation and the various state finance corporations have been constituted by Acts of Parliament precisely to help the private industries. To say that they should not help the private industries goes to challenge the very point that has been accepted by the House. This is the primary mis-conception. But even on merits, as I said, there is no harm in developing hotel industry which goes so well to serve the tourist trade in the country. (*Shri Warrior*: Small-scale hotels) . . . yes, small-scale hotels.

There is another misconception when he mentioned that the Ashoka hotel or any other big hotel is not covered by the State Financial Corporations.

Shri Harish Chandra Mathur: Rs. 20 lakhs would not be a small amount.

Shri B. R. Bhagat: It is the maximum amount now. It is precisely in regard to the small hotels not in big capitals, but even in other places of interest which may not be the capitals of the various States but are places of tourist traffic—even out of the way places—where, for want of resources hotels cannot be built, that this aspect is given consideration. Hotels will be built there, because the State Financial Corporations can only give assistance up to Rs. 20 lakhs now. So far, it could give only Rs. 10 lakhs. So, it will be only to small or medium hotels or any such industrial concerns. It is an accepted thing that, to develop tourist traffic and earn foreign exchange, apart from the 'un-international' understanding in the present-day world, it is necessary that there should be a greater and greater inflow of tourists, and that cannot be developed sufficiently—this is the considered view—unless there is adequate provision of hotels in the country. That is why, earlier, the House accepted an amendment to include the hotel industry in the work of Industrial Finance Corporations. Similarly, a similar provision is being introduced by an amendment in the State Financial Corporations Act.

Similarly, the hon. Member brought in the question of conflict between the road and rail transport and argued how the road transport is impinging upon rail traffic, and referred to other issues which are not material to the discussion. But the point is that the industrial and economic momentum of the country is growing, both rural and urban, and the communication systems—road, rail and inland water—have to be developed, and particularly in a State like Assam, they are naturally very keen to develop their internal water resources because of the special conditions that prevail there. Due to partition, the transport by road or rail has been disrupted. Their entire transport and communication have been disputed, in spite of the fact that they are doing everything to built up their communication. But their economic life is being still very much handicapped. Their promotional and developmental activities are very much handicapped. For reasons of speedy communication, they are very keen to develop their inland water transport and that is why this aspect should be included here.

[Shri B. R. Bhagat]

Hon. Members should know—I have mentioned this while making the earlier speech—that the Reserve Bank in its conference with the State Corporations in 1958 or 1959 or 1960 brought out these points. Various State Governments and the representatives of the State Financial Corporations were there and they felt the necessity of broadening and diversifying the activities. That is why some of the items were added. I think that the objection to these two items is entirely misconceived. I am glad that the hon. Member has welcomed the inclusion of the industrial estates as one of the activities of the State Financial Corporations.

Dr. M. S. Aney (Nagpur): What is the number of hotels to whom loans have been advanced by the Financial Corporations to cope with the growing tourist traffic?

Shri B. R. Bhagat: None. The State Financial Corporations cannot include hotels for giving loans; they can only do so after the amendment is accepted by the House. So, at present there is none. But informally and otherwise we know that there would be quite a sizeable number of applications to be financed out of the resources of the State Financial Corporations in the various States. I cannot exactly say the number, but the number would be quite sizeable.

Then, I do not know why the hon. Member objected to the guaranteeing of loans by the scheduled banks. It is not as if the financial corporations are very keen to guarantee the loans by the banks, but in actual operation, —I think this is a clear point—we come across certain cases which are likely to happen where the corporations help an industrial unit by giving loans. The guarantee provision would be there if the unit happens to have the mortgage of assets and still needs funds, because the assets are in the form of plant and machinery, and they may not be easily divisible, if they got Rs. 10 lakhs as loan and their assets are Rs 25 lakhs; but because the could not be divided, the entire thing is mortgaged to the State Financial Corporation. But, if it needs a short term or a medium term money, it goes to the bank and the bank cannot give it, because the entire asset is mortgaged to the corporation. In such cases, the State Financial Corporations can, in order to help it, guarantee the loans given by the scheduled bank, and this would facilitate the development of such industries. Otherwise, such industries would come in for rough weather and would suffer for want of resources which are badly needed.

Shri Warior: Will that be covered by the security?

Shri B. R. Bhagat: It does not matter, the guarantee is there. It would not be covered by the security because there is the first charge on the bank, and that security cannot be divided, and the entire asset is mortgaged. Therefore, it cannot offer any further assets or security to the bank. Therefore, this is a question of guarantee, and in most cases, it would help the industry. I think such an amendment would be very healthy and would provide encouragement to the companies, particularly the smaller ones.

Mr. Deputy-Speaker: Is it intended that these securities would be furnished only in cases where the corporation has already been advancing money?

Shri B. R. Bhagat: Yes.

Mr. Deputy-Speaker: There are cases where the corporation has advanced money to a unit and the unit is in need of more money, and the security is already there with the corporation.

Shri B. R. Bhagat: It would be exactly in those cases that such a thing occurs, although the amendment as it is more an enabling one because, in these cases, the assets are mortgaged to it.

Shri Warior: Then the clause must be suitably amended in that way. Now, there is no assurance that all the assets will be given to the financial corporation.

Mr. Deputy-Speaker: The Deputy Minister of Finance wants to say that the guarantee would only be given when the corporation is satisfied that there is a security already with it and there is no danger of any loss if guarantee is given. That is what he means to say, because the corporation shall have to exercise some discretion. It would certainly not advance when there is a risk and where there might be a danger of losing the money, but it would only do it when it is going to incur the liability of giving the guarantee when it knows that already there is a security.

Shri B. R. Bhagat: Otherwise, if the concern has security, it will go and offer to the banks, but in such cases, when they have no securities and the secured assets mortgaged with the assessee is much more than the loan, the case arises.

Then, I come to the points raised by the hon. Member Shri Harish Chandra Mathur, who made a very eloquent speech and covered a very large ground. He quoted on the one hand the Reserve Bank and on the other the Finance Minister who, according to him, has said that in promoting and developing the small-scale industries too much insistence should not be laid on the security offered, and the resources would be readily or easily available to the small-scale industries. He said that clause 25 provides that there should be security. His point is, on the one hand we are saying that we should liberalise the provisions and provide all the resources needed for the promotion of small-scale industries and on the other, we are not changing and adapting the procedures so as to fulfil those objectives. So far as the Government is concerned, it is true that we have been giving very anxious thought to provide all assistance and resources to the small-scale industries and various steps have been taken. But it is a fact that the demand for funds from the small-scale industries is always larger than we could actually provide.

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It is not true to say that we have been sitting tight and the procedures continue to be rigid, that the securities demanded continue to be excessive, with the result that developmental activities are clamped down, etc. That is not true. If the hon. Member sees the steps taken by Government or the Reserve Bank in liberalising these provisions, he would appreciate that we are confronted with a very difficult question. There is the historical background, the psychological background of the development of our banking system and our financial institutions and we are fighting hard to provide the funds and resources needed for the small-scale industries.

If we do not ask for adequate security—that is the expression used in clause 25—the result would be that many of the State Financial Corporations will be faced with bad loans and will have to incur heavy losses. We know with our experience of the Industrial Finance Corporation, when we had a few such bad loans, the whole House was exercised over it. We had an inquiry and we had to take a number of measures. Therefore, so far as the Government is concerned, it is always a question of judgment, balancing the two—how much security we should demand and how much liberalisation should be given—so that the small-scale industries would not suffer for want of funds

[Shri S. R. Bhagat]

We have taken certain steps. For example, it has been our practice to provide for 50 per cent of the assets as security. Now some of the State Financial Corporations have reduced that margin from 50 to 40. Then, we have this guarantee. He said out of Rs. 19 crores of loan provided, only Rs. 8.5 crores have gone to the small-scale industries, i.e. roughly over 30 per cent, which is woefully small. It is true, but we have been trying to develop certain other institutions. For example, through the pilot scheme of the State Bank, which we have been trying for a number of years, we have provided help to the small-scale industries. As I said, it is very difficult to move those financial institutions and the financial system, which has developed a tradition over a number of years. But still, in these few years, the progress is not very insignificant.

Shri Harish Chandra Mathur: Let us not have a wrong tradition for new institutions.

Shri **B. R. Bhagat**: I am saying what other facilities we have developed. At a point of time, the State Bank has given Rs. 5 crores as advance to these small-scale industries Even the Reserve Bank, which has recently started guaranteeing small loans, has provided about Rs. 8 crores to Rs. 10 crores. Similarly, we have the various State-aids to industry. In nine States, the State Financial Corporations are the agencies to provide such aid. They have sanctioned about Rs. 3.7 crores, of which Rs. 1.7 crores have been disbursed. It is not as if we are doing nothing.

Shri Harish Chandra Mathur: I never said you are doing nothing. Out of a total requirement of Rs. 300 crores to Rs. 500 crores, this is all you have provided for.

Shri B. R. Bhagat: That is true; that only emphasises the magnitude of the task and the difficulties we are confronted with. But the fact is that the Government is trying to do everything possible to augment the resources and the funds available to the small-scale industry.

Then, he said the working of these corporations has been a failure. It is a very sweeping statement.

Shri Harish Chandra Mathur: I only quoted the words of the Governor of the Reserve Bank.

Shri B. R. Bhagat: He said only 1076 loans have been given over a period of ten years. But the fact is, although the Act was passed in 1951, some of the State Financial Corporations were started actually as late as 1959. For example, the Mysore Corporation was started on 30th March 1959, the Jammu and Kashmir Corporation in December, 1959, etc. So, it is not as if 10 years have elapsed; in some cases it is only 4 or 5 years. It is only after a number of years that they earn enough experience. They are getting into stride. If more assistance could not be given, it is not for want of resources. Funds are available and they are going to be increased.

Some States are much ahead and are taking a more dynamic attitude towards the development of industries in their area and in some States that dynamism is not there. So, we cannot treat all the State Financial Corporations on a similar basis. The hon. Member will appreciate that although the Act has been passed by Parliament, the administration and the composition of the boards, etc. rest with the State Governments. It is not as if we can control them from here. It is wrong for us to intervene in their working, because it will stifle all the initiative. In the annual meeting which the Reserve Bank calls, in which all the State Financial Corporations are represented and our own people are also represented, we devise ways and means, discuss the problems and try to introduce dynamism, new lines of thinking, etc. That is what we can do. If we go further, the result would be just the opposite. It will stifle all the initiative and the development of the small-scale industries would be very much handicapped and hindered.

Then, he said in regard to the composition of the boards, more representatives of the smaller section should be there. It is true that in some States like West Bengal, a leading industrialist is the Chairman of the Board. So also in Rajasthan and Mysore. That is because we want to utilise their experience towards providing assistance for the development of industries. I think the State Governments themselves are conscious of the need to develop industries. Each State Government is more and more anxious to develop more industries. I think we are trying to do our best to make them do things much more speedily and with the cooperation of everybody, so that whatever dynamism is there would be strengthened. In future, with some of the provisions that we are making like augmenting of resources, liberalisation of provisions, diversifying of activities, etc., there will be further development of the small-scale industries. That is not only our hope, but that will be our endeavour and I think the hon. Member should be satisfied with that.

Mr. Deputy-Speaker: The question is:

> That the Bill further to amend the State Financial Corporations Act, 1951, be taken into consideration."

The motion was adopted.

Clause 2—(*Amendment of Section 2*)

Mr. Deputy-Speaker: We shall now take up the Bill clause by clause. The Question is:

> **"That clause 2 stand part of the Bill."**

Shri Warior: Sir, I have to make one submission. I have sent in three amendments. Although the amendments were tabled late, because of the peculiar circumstances, because we came to the House only yesterday and today we are taking up this Bill for consideration and we did not have sufficient time to give notice of our amendments, will it not be possible to waive the time restriction and treat them as in order?

Mr. Deputy-Speaker: The difficulty is that these amendments could not be circulated to Members, otherwise they would have made their comments on those amendments also. Are they very necessary? I have read them. They are the same points that he raised and which have been answered. He raised two points. I have seen them. If he is very particular, I have no objection and I will allow him. If he thinks that he must press those amendments, I will allow him as a special case on the opening day.

Shri Warior: Yes.

Mr. Deputy-Speaker: All right. I will allow him to move them as a special case on this opening day and waive the time restriction. He may move his amendments to clause 2.

Shri Warior: Sir, I beg to move:

Page 1, line 11,—

after "means any concern" *insert*—

> "with a fixed capital not above ten lakhs of rupees and" (4)

Page 1, lines 13 and 14—

> *omit* "in the hotel industry or in the transport of passengers or goods by road or by water" (5)

I have spoken enough on these amendments. I only want that these amendments be accepted by the House.

Mr. Deputy-Speaker: May I put them together?

Shri Warior: Yes.

Amendments Nos. 4 and 5 were put and negatived.

Mr. Deputy-Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Deputy-Speaker: The Question is:

"That clauses 3 to 8 stand part of the Bill."

Shri Harish Chandra Mathur: Sir, can I seek a clarification from my hon. friend? As I mentioned in my speech, in order to strengthen these corporations and their resources we are permitting them to have deposits and to have borrowings. Will the hon. Minister explain how it is that even the funds which have already been made available to them remain unutilised? He owes an explanation to this House. He did not say anything in his speech about it. Rs. 7 crores remain unutilised. What are they doing about these procedural rigidities? What is the use of strengthening these corporations and giving them further resources if the resources that are already made available to them are not being utilised and industries are starving? As I told you, the demand of the industries is much greater, the funds are there and the corporations are there.

Mr. Deputy-Speaker: But one of the hon. Members has already observed that there are certain formalities to be observed, certain conditions to be fulfilled before an applicant becomes entitled to the grant of a loan. If these are not fulfilled, should the money be given away necessarily to any applicant who comes in?

Shri Harish Chandra Mathur: Let us have it from the hon. Minister. At the conference of the financial corporations the Governor of the Reserve Bank posed the same question before all the corporations, as to what was going to be our policy, whether money was going to be advanced strictly on the title deeds or money was going to be advanced on the character, knowledge and productive programme of the entrepreneur. This is the question which was answered by the hon. Finance Minister when he was addressing the scheduled banks. These financial corporations are a special instrument for the assistance of small-scale industries. May I konw how they are going to answer this question?

Shri B. R. Bhagat: I explained that we are trying to do every thing to liberalise the provisions. We have devised new ways, created new institutions to provide more funds and in some of them the rigidity of security is not there.

Mr. Deputy-Speaker: The hon. Member wants to say, if the need is so great, there are many applications and the loan granted is so small, even then there remains a good deal of surplus with the corporation. His suggestion is, should not we study it further.

Shri B. R. Bhagat: There is not a surplus of Rs. 7 crores in all corporations. Some of them were started much earlier. Some have utilised all the resources. He is saying of the total in all the States. And, it is not as if there is some money available and more money is not needed. The need is very great and we want to make available more resources. We want to expand the activities more rapidly.

Mr. Deputy-Speaker: The question is :

"That clauses 3 to 8 stand part of the Bill."

The motion was adopted.

Clauses 3 to 8 were added to the Bill

Clause 9.— (*Amendment of section 9*).

Mr. Deputy-Speaker: There is a Government amendment to clause 9.

Amendment made

Page 5, line 10,—

for "depute" *substitute* "may depute" (3)

(*Shri B. R. Bhagat*)

Mr. Deputy-Speaker: The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clauses 10 to 23 were added to the Bill.

Clause 1—(*Short Title and commencement*)

Mr. Deputy-Speaker: There is a Government amendment to clause 1.

Amendment made

Page 1, line 4,—

for "1961" *substitute* "1962" (2)

(*Shri B. R. Bhagat*)

Mr. Deputy-Speaker: The question is:

"That clause 1, as amended, be added to the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Mr. Deputy-Speaker: There is a Government amendment to the Enacting Formula.

Amendment made

Page 1, line 1,—

for "Twelfth Year" *substitute*

"Thirteenth Year". (1)

(*Shri B. R. Bhagat*)

Mr. Deputy-Speaker: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Long Title was added to the Bill.

Shri B. R. Bhagat: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. Deputy-Speaker: Motion moved:

"That the Bill, as amended, be passed.".

Shri Harish Chandra Mathur: Sir, it is true that these financial corporations are different, and they are operated by the various State Governments. But here, on the floor of this House, we have given expression in very strong terms to the difficulties that we envisage. We have given certain facts and figures to show how funds remain unutilised, how the loans sanctioned are not utilised, how there remains Rs. 7 crores unutilised and so on. Then, though we have sanctioned loans amounting to Rs. 29 crores the amount utilized is only Rs. 19 crores. This very strongly underlines the procedural rigidities. I wish that the feelings of this House may be conveyed to the State Governments. I wish also that the hon. Finance Minister may convene a meeting, not only of the heads of the Finance Corporations—because they have got to go and report to the State Finance Ministers and they by themselves cannot do anything—but also of the Finance Ministers of the State Governments and discuss between themselves the working of these corporations and devise ways and means to make them real and effective instruments for the financing of small-scale industries. I am of the opinion that it is more

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through conferences, friendly advices and discussions that such things can be done rather than in any other manner. Though the State Governments and others are coming up to help the small-scale industries, as this is a very important instrument to assist the small-scale industries, special attention of the Finance Ministers, both at the Centre and the States, will be useful and may serve the cause of small-scale industries.

Dr. M. S. Aney: In the course of the reply the hon. Minister has stated that this Act, though passed by this House, is operated by the States. He also stated that there are certain States which are developed and which have, therefore, started their own finance corporations, while others are lagging behind. I want the Central Government to take greater interest in this matter. Those States which are undeveloped, in which there is not much of initiative about this matter, they have to be encouraged to take advantage of these corporations. If the operation of this Act is left entirely to the States, probably the present position of inequality between developed States and undeveloped States may remain the same or even become wider. From that point of view, in order to encourage the initiative and to give greater momentum to undeveloped States, there must be some mechanism by which the Central Government should be in a position to bring about healthier and speedier industrial growth and a tendency to take advantage of this Act in those States also.

Shri B. R. Bhagat: As for the two suggestions, we will certainly have the feelings of the House conveyed to the various State Governments. As for the convening of the meeting of the State Finance Ministers with the Union Finance Minister, it will certainly be examined and if it is found that it would help, certainly the Finance Minister would consider it; though we would not commit ourselves to this at this stage, we welcome the suggestion offered by the hon. Member.

Regarding giving encouragement to the undeveloped States by the Centre, it will certainly be done. We are interested in the development of the country and we are trying to do everything, but for the information of the hon. Member we would say that although we do not have any representative on the Board, the Reserve Bank has a representative on the various State Financial Boards. It contributes the capital and takes active interest in the matter. Further, every year an annual conference for two days is also called by the Reserve Bank in which the officers of the State Financial Corporations attend, there they discuss all the problems and remove all the difficulties in the way. If any particular State is lagging behind, so far as development is concerned, it will immediately come to our notice, as our representatives also attend all these meetings, and we are willing to do—in fact, it is our duty to do—all that is possible on our part to remedy the situation.

Mr. Deputy-Speaker: The question is:

> "That the Bill, as amended, be passed."

The motion was adopted.

14.25 hrs.

DOCK WORKERS (REGULATION OF EMPLOYMENT) AMENDMENT BILL

The Deputy Minister of Labour (Shri Abid Ali): Mr. Deputy-Speaker, I beg to move:

> "That the Bill further to amend the Dock Workers (Regulation of Employment) Act, 1948, be taken into consideration."

The present legislation was enacted in 1948 mainly with a view to reducing the hardship suffered by dock workers due to uncertain and irregular nature of their employment. The Act empowers Government to frame a scheme for registration of dock workers in order to ensure greater regularity of employment and for regulating the employment of dock workers, whether registered or otherwise.

We have so far framed schemes for the decasualisation of stevedore labour in the ports of Bombay, Calcutta, Madras, Cochin and Visakhapatnam. Each scheme is administered by a tripartite statutory body called the Dock Labour Board. Schemes for the listing of certain categories of dock workers with a view to collect relevant data before the question of their decasualisation is considered are also in operation in the ports of Bombay, Calcutta and Madras. Recently a scheme for the safety, health and welfare of dock workers in the major ports has been introduced and brought into force from October **1961**.

In the light of the experience of working of the various schemes, some improvements in the present law have been considered necessary. Accordingly, the Bill seeks to make suitable amendments. These relate mainly to the inclusion of provisions in the Act itself for the setting up of autonomous Dock Labour Boards, for their constitution, for auditing of their accounts, for issue of directions by Government to the boards, for enquiring into the working of the boards by order of the Central Government, for supersession of a board in the event of grave emergency or persistent default in the performance of its duties etc.

I hope that the provisions of the Bill will be welcomed by all the sections of the House. I commend the Bill for consideration.

Mr. Deputy-Speaker: Motion moved:

> "That the Bill further to amend the Dock Workers (Regulation of Employment) Act, 1948, be taken into consideration."

Shri Indrajit Gupta (Calcutta-South West): Mr. Deputy-Speaker, the amending Bill which is before the House now has been advocated in a short speech by the Deputy Labour Minister in such a way as to imply that it is, on the face of it, a very innocent matter dealing with some technical changes. Now, speaking personally of course, I am in favour of this amending Bill, and I will explain why but I am rather disappointed to find that the Deputy Labour Minister did not feel it necessary to take the House into confidence as to the real background which has impelled the Government to bring forward this amending Bill, because I think the House is certainly entitled, when it is called upon to give its assent to this amending legislation, to have its memory refreshed as to the background which has prompted the Government to come forward with this Bill.

I am impelled to make these remarks because I know very well, and I am sure the Deputy Labour Minister also knows, perhaps even better than me, that the genesis of this amending Bill lies in certain very unpleasant and unfortunate happenings which were disclosed a couple of years ago in the working of the Dock Labour Board at Calcutta and, if I may say so, this Bill is really a very long overdue enactment, giving legal form to certain recommendations which were made to Government by a committee which was set up in 1959, most of which were accepted by Government a one-man enquiry committee comprising one of the senior officials of the Labour Ministry, Shri R. L. Mehta, to go into certain very grave complaints which have been received regarding mal-administration, corruption, misuse of funds, irregular and improper practices etc. by the Calcutta Dock Labour Board. These complaints were received, I believe sometime early in 1959, this committee was appointed in May 1959, it submitted its report to the Govern-

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ment in December 1959 and, so far as I as aware, the Government, on the basis of that report, also formally called upon the Calcutta Dock Labour Board to submit an explanation on certain charges, giving time to do so up to the 15th of January 1960. So that, as you will see, Mr. Deputy-Speaker, this matter was under the active consideration of the Government and had been brought to its notice almost two years ago. I am not in the know myself as to what has been the result of that request or demand which was made by the Ministry to the Calcutta Dock Labour Board to get its explanation by 15th January 1960 in reply to a whole lot of questions which was given to it by the Government regarding its working. I do not know what reply they have given. All I know is that the same Dock Labour Board which was found guilty by the Mehta Committee of serious malpractices and irregularities is still in existence and is still carrying on the very vital duties which have been entrusted to it under the parent Act, that is the Calcutta Dock-workers Regulation and Employment Act.

Sir, I feel that it is not enough now just to say that certain additional powers are being vested in the Government under the amending Bill. They are all to the good; I have nothing against them. My complaint is that the House should be taken into confidence so that we may feel assured that certain measures which have been taken are specifically with a view to preventing the recurrence in future of this type of serious malpractices which were brought to the notice of Government and on the basis of which they had to appoint the Enquiry Committee.

May I just take this opportunity of recounting very briefly some of the main findings of that Committee because they will show that there is a direct link between those findings and the provisions of the present Bill? Among the findings of that Committee—I can only mention a few very briefly—was first of all the fact that the monopoly of stevedoring business at Calcutta docks is held by two organisations or associations of stevedores, one known as the Master Stevedores Association and the other known as the Calcutta Stevedores Association. These were found to be the only two Stevedores Association which were registered as associations. The Mehta Committee in its report remarked on the fact that since no other organisation or association of stevedores have been registered in practice the Calcutta Dock Labour Board and its administrative body were found to be completely dominated in a very unhealthy manner by these two stevedores associations. A suggestion was made by the Mehta Committee that some arrangements should be made for the future so that other stevedores associations, if they so want, can also be registered, and it should not become a closed shop dominated only by these two stevedores associations. In this connection I welcome this amending clause which has been brought in here in section 3 of the principal Act, in so far as it goes, because it says that formerly where provision was made simply for the registration of dock workers under the Act, this has been extended to the registration of dock workers and employers. That is very good. That means that stevedores will also have to be registered under the Act. I would ask the Deputy Labour Minister to kindly explain this matter to us a bit: we are very worried about it. Here a provision is made, which was not there previously, that the employers will also have to be registered. But the particular defect or malady which was pin-pointed by the Mehta Committee was that no other stevedores association excepting these two is ready to function there. Now a certain provision is made that stevedores associations or stevedores companies will be registered. But what steps, if any, is the Government contemplating by which this sort of monopoly on the whole stevedoring business in Calcutta port which has been exercised for so many years by these two associations may be broken. Simply making a technical provision for registration does not necessarily give an assurance that other stevedoring concerns will also be in a position to get themselves registered under the dock labour board scheme.

Sir, another point which was highlighted by the Mehta Committee was that these employers were very reluctant to incur the obligations or expenditure under this scheme. The Committee had stated that there was a continuous attempt made by the Stevedore Companies to shift expenditure which was normally their obligation on to the shipping companies for whom the stevedores act as clearing agents. The scheme visualises that these stevedores must bear certain expenses as their obligation for which certain administrative charges are levied on them. The Mehta Committee found that there was a very grave dereliction of duty in this respect as far as these stevedores' obligations are concerned. The expenses are on items which concern the benefits and welfare of dock labour. Within the dock labour board it was found that a continuous attempt to shelve this obligation by the stevedores or pass it on to shipping companies was made with the result that there was a continuous state of labour unrest created. Money was not forthcoming for the provision of statutory benefits and facilities.

As everybody knows the docks are a very sensitive sector of our economy and dock labour traditionally, not only in our country but in all countries of the world, has got a sort of stormy background; they are restive people. One of the main objects behind the whole Act was to bring about some settled condition in dock labour so that the work of loading and unloading can proceed smoothly. The Mehta Committee found that one of the basic things in this scheme, that is the expenditure to be borne by the stevedors companies and associations, was being attempted to be by-passed or shelved. I do not find any new provisions made which would enable these loopholes to be plugged. It is true that the shipping companies are now being given certain representation on the advisory committee which they did not have before. The advisory committee—if I may say so—is not an executive body; nor has it got any thing to do with the day to day working of the administrative body of the dock labour board. It is the real seat of all the trouble, which led to a very grave state of affairs. The Mehta Committee found that there were certain malpractices going on in this Dock Labour Board. I regret to say that to some extent not only the stevedores, but certain trade unions also were perhaps at fault indirectly to some extent for some of these practices. For instance, if I may just point out to make the position clear, the present system of engagement of workers under the scheme to do the work of loading and unloading is done not on individual basis but on the basis of gangs.

There are certain gangs consisting of 8, 10, 12 or 14 people who work under a headman or a *sirdar* and the gang as such is booked for a particular job on a particular ship. It was found by the Mehta Committee that the full amount of money was drawn in the name of a gang for the work done or for the attendance put in by that gang whereas in practice the actual strength or complement of that gang was far below the number claimed. Money has been drawn, say, for 12 people comprising a certain gang. It is paid in a lump sum for the gang as a whole. Then it was found on enquiry that the actual strength of that gang was not 12 at all, but perhaps 8 or 10 people. So, there are certain, what the Mehta Committee referred to, ghosts existing also within the membership of these gangs. No check up or proper inspection is there and in this way quite a lot of money was being drained out.

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All these matters require some tightening up of the whole machinery and we had expected that in this amending Bill there would be some provision. There is, of course, the extreme step which was not provided for earlier. If a Dock Labour Board does not carry out its duties properly or if it is found to be guilty of default or of mal-administration, now power is being given here to the Government to supersede or suspend that Dock Labour Board.

Mr. Deputy-Speaker: How could ghosts be dealt with by law?

Shri Indrajit Gupta: By some system of inspection or by tightening up the inspection machinery. When Shri Mehta as a one-man committee could find it out, surely some means can be devised by which these things ran be caught.

Therefore, as I was saying, originally, that is, before this amending Bill which has now come before us there was a lacuna or, what you might call, a sort of a technical flaw in the scheme of the Act. I do not wish to go into detail. The scheme part of it provided for the suspension or supersession, if necessary, of the administrative body of the Dock Labour Board but there was no provision whereby the Dock Labour Board itself, even though it might be guilty and fully responsible for all these malpractices, could be touched. That lacuna is sought to be removed now by the amending Bill. Government is taking powers whereby that Dock Labour Board itself can be superseded, if necessary. That is the provision.

The Mehta Committee itself was handicapped by the fact that its recommendations had naturally to be bound within the framework of the provisions existing at that time. Therefore all that it recommended was that the administrative body should be suspended and that it should be replaced by the Deputy Chairman of the Calcutta Dock Labour Board. With all respect to the Mehta Committee I beg to submit, because it has been our experience in the last two years of working in the Calcutta docks, that this remedy which was suggested is no remedy at all. The administrative body was suspended and all the powers were given to the Deputy Chairman of the Dock Labour Board who, I humbly submit, was himself a part and parcel of this whole machinery. If the Dock Labour Board itself is found to be guilty of so much dereliction of duty, why should the Deputy Chairman of that Dock Labour Board be vested with all the powers which were formerly given to that administrative body? I cannot follow this. Certainly it is not a means by which any effective steps could be taken to combat these malpractices.

It was also found, for example, that these powerful stevedores belonging to these two associations had gone so far that they had prevailed upon the Dock Labour Board to reimburse them for their expenditure which they were legally and statutorily bound to incur on facilities, like, paid leave for the workers, provident fund and all that. On enquiry it was found that the Board had agreed to reimburse the expenditure of the stevedores and the Mehta Committee recommended that this practice should be stopped immediately. I do not know how far this recommendation has been implemented by the Government. I would have thought that in this connection the hon. Minister would tell us as to what steps were taken apart from the amending of the Act itself because these things follow directly from this.

Then there is the question of injury compensation. As you know in the docks the rate of injury due to accidents is fairly high and injury compensation liability rests with the stevedores where it is proved that they are responsible and it is due to their not having proper arrangements for work and all that. But the Mehta Committee found that an amount of Rs. 4.5 lakhs was paid in three years wholly on account of injury compensation to workers which was a statutory liability of the employers. It is a pretty heavy bill and this liability was also taken over by the Board. They said that the Board would pay this amount and the employers need not pay it. I think, as far as I can recall, the Mehta Committee had strongly urged that some machinery should be established by the Government actually to recover this payment which had been wrongly made from the account of the Dock Labour Board. On that too I would like some elucidation from the hon. Minister. What steps were taken about that? Has that amount been recovered or not recovered or what has been done?

A hospital building was constructed for these dock workers under the scheme. It is a very good thing. They need it. That hospital building was constructed at a cost of about Rs. 6 lakhs or Rs. 7 lakhs. Several months after it was completed the Mehta Committee found that that hospital building was lying unused. It is not used. It is not functioning. The whole building and everything had been set up at a cost of Rs. 6 lakhs or Rs. 7 lakhs. The administrative body is not the parent body. The parent body is the Dock Labour Board and I submit that the Dock Labour Board, which is the parent body, was fully responsible for all these derelictions of duty, malpractices and wastage of funds etc. which were found by the Mehta Committee. But the Mehta Committee could not recommend any immediate measures against the Calcutta Dock Labour Board for the simple reason that there was no such power under the existing statute. The scheme only permitted the administrative body to be suspended or to be dealt with and that recommendation was made.

Now this amending Bill comes after 2½ years. It is good. Better late than never. But after 2½ years this power is being taken that the parent body itself, where the seat of the whole trouble is located, that is, the Dock Labour Board can also be suspected or superseded if necessary in a state of emergency. That is a welcome thing. But I am afraid that the same Dock Labour Board which was found guilty of all these things has been happily working for the last 2½ years. Nobody could lay a finger on it anywhere. I would therefore, suggest that along with this Bill the hon. Labour Minister might assure this House that some steps are now being contemplated. In my opinion even at this late hour the old Dock Labour Board should be dissolved and should be re-established or re-constituted. There is no ground whatsoever for it to continue to enjoy the confidence of anybody after the record which was found to its credit by the Mehta Committee. This time lag has taken place for which the Government is responsible. I do not know why they have taken such a long time to bring forward this Bill. But simply because of this time lag the advantage should not go to the people who run that Dock Labour Board. I am not leaving out anybody. In it there are the employers' representatives, the Government's representative and the labour representatives—everybody constitute that Dock Labour Board. Anybody who cares to make a survey of the conditions in the Calcutta docks will be satisfied that that Dock Labour Board has forfeited the confidence of everybody. Everybody is thoroughly fed up with the way it is functioning and working. Therefore, the least that I would suggest is this. This amending Bill which is now being brought in, of course, should be passed, with the support of everybody. But, the time-lag which has occurred should not be permitted to overlook the guilt which has been laid at the door of the Calcutta Dock Labour Board. It is not just a technical matter. It concerns something very

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vital: the whole question of loading and un-loading and turn-about of ships, on which so much depends. The national economy and much of the plan targets depend on the proper functioning and working of the Calcutta docks. It is bound up with that.

One or two other small points, I would like to take up. The Mehta Committee had also, as everybody knows, shown that no returns, no audited balance-sheets, no annual reports, nothing had been submitted for three years by the Calcutta Dock Labour Board. No accounts, no balance-sheet, no audit, no annual reports, nothing. Only the Administrative body was taken to task for that. In the Dock Labour Board itself, which is the parent body, there is an Accounts Officer appointed by that Board whose job it was to prepare accounts. No action was taken against him by the Board. I do not know why. This money is there. Several lakhs of rupees, crores, are being spent under the scheme. The Government should at least tell us this. They have made a provision that in future, there will have to be proper auditing of balance-sheets by the Comptroller and Auditor-General and all that. That is very good. What about all that has happened in the past? We would like to know that, as a prelude to the Bill, they have taken certain administrative action also.

As regards the amending provisions, I would like to suggest one thing. I have not tabled any amendment. I did not have the time. It is not a consequential amendment. I would draw the Minister's attention to this. In clause 6B (2) where this question of supersession of a Board if necessary is brought in, on page 4 of the amending Bill, it is said:

> "all the powers and functions which may be exercised or performed by the Board shall, during the period of supersession, be exercised or performed by such person as may be specified in the notification;"

I would request him to consider whether this should be made so rigid. Why should the authority always necessarily be one single person, I do not know. Could not this be made a person or persons? It is up to the Government. It should not be kept so rigid, in my view.

Mr. Deputy-Speaker: That is automatic. Singular includes plural under the General Clauses Act.

Shri Indrajit Gupta: It includes persons?

Mr. Deputy-Speaker: Yes.

Shri Indrajit Gupta: You will forgive my ignorance. Because, I was just going on the analogy of what happened last time. In my opinion, when this type of mal-administration comes to light, it is not sufficient that the whole Board or administrative body is suspended and replaced by a gentleman who has himself functioned as one of the chief officers of that body for so long and has himself at least partly to bear responsibility for that.

The Minister in his remarks just now said that the Government has accepted the question of de-casualisation of dock labour, which is the basis of the whole Act, and regularisation of employment and is trying to improve upon it. That is a good thing. I would like to take this opportunity of reminding him that still there are a number of categories of dock labour whose employment has not been regularised on a part with that of other categories, and who are not counted or reckoned with as fully listed workers under the scheme. He knows very well that this is a continuous matter of some agitation and trouble which goes on in most of the docks. I am referring to the categories of labour like chipping and painting workers, workers engaged in stitching and bagging, workers engaged in loading and un-loading salt. Their number is very large—several thousands. Despite their continuous agitation, they have not been brought within the purview of the scheme on the same footing with other categories. Therefore, when the whole scheme is being reviewed and is sought to be improved upon and made a little more comprehensive, I would suggest that this question of these categories whom I have just now mentioned should be re-considered and they should also be given the benefits of decasualisation and regularisation of employment just as the other categories of workers have.

Lastly, one point I would like to mention. I think this also is bound up to some extent at least with the findings of the Mehta Committee. Of course, the Government has got powers to make rules in regard to how the Dock Labour Board should be constituted. I refer to the personnel of the Boards and the manner of selection. I would just mention one thing particularly which has caused a lot of trouble in the past; that is the question of the manner of selection of representatives of the dock workers on these Dock Labour Boards. So far as I know, this is done completely by the Government at its own discretion. In the docks, as in other places, of course, also, there are always a number of unions, call them rival unions or anything else, which are functioning and working. If this Dock Labour Board, as a machinery, has to work smoothly and efficiently, some machinery should be devised whereby representative organisations of dock workers are given proper representation on that Board. There is a continuous complaint. I am not an interested party in this. I may say this, because I do not know what the Deputy Minister of Labour in his usual inimitable manner may say later on. I am not an interested party in this, because I have nothing to do with dock labour, nor have we got an union there.

Shri S. M. Banerjee: (Kanpur): Are you not interested in him?

Shri Indrajit Gupta: I am interested in him and he is interested in me as he showed recently. The thing, is: let him devise some procedure. By some democratic means, in the 3, 4, 5 dock labour unions which are there, as is done in some other cases, let their membership be verified, or let a ballot be taken among the workers. Let there be some other procedure by which nobody has a ground of complaint to say later on that a certain particular union has been given 1, 2, 3 representatives on the Dock Labour Board although it does not enjoy influence or membership or following among the dock workers. I believe, up to now, no such satisfactory method has been evolved. People are selected rather arbitrarily purely at the discretion of the Government. As the Minister knows, that has led to a lot of trouble and heart-burning and is a continuous cause of a lot of un-rest which can be avoided in my opinion. I think, when the rules are prescribed, particularly for the manner of selecting representatives of the dock workers, some democratic procedure should be evolved by which the dock workers feel that really their genuine representatives are on that Board.

With these remarks, I, in general, lend my support to this Bill and I welcome it.

Shri Naushir Bharucha (East Khandesh): Mr. Deputy-Speaker, this Bill appears to be inevitable due to the defects that exist in the parent Act of 1948. As I was studying the parent Act of 1948, I was surprised at the drafting, because so many things were left un-said. It was most surprising that even the constitution of a corporate body was showed in by sub-clause (j), without making any provision for its perpetual succession and the legal attributes which go with a corporate body.

The idea of establishing a Dock Labour Board is very welcome. The

[Shri Naushir Bharucha]

fact is, as it stands today, the Act of 1948 simply provides for constituting, whether as a body corporate or otherwise, an authority to be responsible for the administration of the scheme. But it appears to me that it is not enough to provide for the formulation of schemes; it is very necessary that there should be a perpetual body such as is suggested in the present Bill, like the Dock Labour Board, which will not merely frame the scheme but implement it and provide for inspection and see that the various obligations which the scheme imposes upon the employers are duly carried out.

15 hrs.

The necessity for the establishment of the Dock Labour Board is that there has been observed to be considerable corruption in recruitment of dock labour. That is a standing grievance. Everywhere, various methods are resorted to, be which dock labour is squeezed, and and the employers also evade their liability in law, by contracts of service; and numerous instances were given in the case of the Calcutta Dock Labour Board, where the employers evaded their statutory liabilities by trying to contract themselves out of such liabilities. Therefore it is not enough merely to establish a Dock Labuor Board and cast upon it merely the duty to implement the scheme. You have also to provide it with the necessary machinery and funds with which to implement it. That would involve also the constitution of an inspectorate under the board to see that the contract conditions are properly carried out by the employer. That is not a small thing. Particularly in the case of dock labour, it has to be born in mind that it constitutes an important section of labour, because any unrest resulting in a strike of dock workers not merely upsets the foreign trade, but apart from that, it may upset at critical moments the important work of unloading cargo such as foodgrains and other crucial consignments, and it may so completely upset the time schedules of shipping compaines that often ships may not touch those ports which are affected by dock labour strike. Therefore, it is very necessary that any machinery that is constituted for creating a sense of security and confidence in dock labour should be thorough and perfect.

So far as the provisions of the Bill are concerned, all that is done is that power is being given to Government to establish dock labour boards and representation is to be given to Government, dock labour, and the employers. I agree with the observations made by the hon. Member who preceded me, that in the election of representatives of labour , particular care has to be taken. It is not an easy thing to evolve a machinery by rules and regulations for election purposes, because often in the case of conflicting unions, different claims are made which can only be decided by, perhaps, resort to proper authorities, which may take a considerable time. All the same, it is necessary that some simple machinery should be evolved so that there has to be in substance election of proper representatives from the labour on the dock labour board itself. That is of utmost importance.

So far as the functions of the board are concerned, it has been provided that it has to administer the scheme for the port or group of ports for which it has been established. How is it going to administer the scheme? That is what I should like to ask the hon. Minister. From where is it going to recruit the staff? From where is it going to get the funds for the purpose? Does my hon. friend think that the fees given for registration of dock labour, or, for the matter of that, for the registration of the employer, are enough to enable the board to carry on all the activities? Apart from that, would the present resources be sufficient under the new Act to enable the board to carry on its activities?

As I said, the first prerequisite is that the board should have an inspectorate. There is no provision in this Bill for a board to be enabled to have an inspectorate. Nor is there any provision for giving the inspectors definite powers.

Therefore, I submit that though it is a good thing in law to have a dock labour board formed, there are many omissions in the Bill, and they require to be thoroughly filled in.

I am not very much enamoured of the advisory committees. I have had occasion to serve on a number of advisory committees, in various matters, not in regard to dock labour, and I have found that nobody really is interested in giving advice; and as for people who are at all interested in giving advice, their advice is never required nor taken. In numerous cases, these advisory committees seldom meet, and they meet, if at all, in a casual and perfunctory manner and they achieve nothing in particular. There may be exceptional advisory committees; I have got no doubt about that. But in these matters, these committees do not really help.

What I am trying to impress upon the hon. Minister is that merely creating a skeleton, a corporate body and saying that in equal proportions, there shall be representatives of Government, employer and labour, is not enough. You have got to give that body the necessary machinery for functioning, and the necessary funds with which to carry on its activities. Since the duties that are now imposed upon the board would be greater than in the past, I am of the opinion that it is necessary that some provision should have been made for additional resources which the board could collect, and on which it could subsist.

This Bill, so far as it goes, is good. But does it really go far enough? In my opinion, it does not go far enough. After all, when we look at the question of dock labour in various ports in different parts of India, a common pattern of employment and regulation must emerge. Was it not the duty of the hon. Minister to have provided in this Bill a co-ordinating authority, a sort of Dock Labour Boards Coordinating Authority at an all-India level so that it can deal with the numerous questions which would arise, of an all-India character, such as standardisation of working conditions of dock labour at major ports etc.? Surely, conditions do not differ so materially and so widely that each State should have a different set of conditions. If there were a body at the top, a dock labour boards coordinating authority, then it can standardise working conditions of dock labour at major ports; it can also intervene informally in matters of conciliation in the event of a threatened dock labour strike affecting more than one port. That is absolutely out side the scope of the board as it is contemplated in the Bill. Matters such as this can only be tackled at an all-India level. Often we find that the strike is due to the board itself, and, therefore, the board is the least competent to interfere in that strike, and in such cases, the intervention of a higher authority which can take a detached view is definitely called for.

Such an authority would also be required for standardsing qualifications for recognition and registration of dock labour employers. Any Tom, Dick and Harry can set up a stevedoring concern, and employ dock labour, and whether his economic standing or financial credit is worth anything is nobody's concern. Therefore, certain minimum qualifications which would apply all over India have got to be prescribed, and a co-ordinating agency could do that, It is also required for establishing a dock labour employment exchange. Dock labour is a peculiar type of labour, and, therefore, a separate exchange is required, and the co-ordinating authority could do that. It is also required for dealing with similar other questions of an all-India character.

Therefore, while I welcome this Bill in that it was inevitable due to the defective draftsmanship of the 1948

[Shri Naushir Bharucha]

Act, the Bill does not go far enough, and it is necessary that an all-India body has got to be constituted.

There is one other small matter to which I would like to draw attention. Section 3 of the 1948 Act, provides for schemes for ensuring regular employment of workers. Now, it is sought to be provided that the scheme should provide for so many things. I really think that the functions of the board and section 3 will come into conflict. Who is to formulate this scheme? The board will claim the right to formulate it, and section 3 gives the Government also the right to formulate such schemes. Therefore, I am of the opinion that the amending Bill will not fully harmonise with the parent Act. Some changes are called for.

An obvious change which will be required is this. Now we are making provision specifically in the Bill for the purpose of creating a dock labour board, and statutory provision is being made for that, and yet sub-section (J) of section 3 (2) of the parent Act is not sought to be deleted. The old sub-section (J) of section 3 (2) which gives the right to constitute corporate bodies to administer the scheme should have been deleted under the present Bill. But this is not deleted. We have to avoid authorities which function side by side, one the Government and the other someone else. So this requires to be changed. The provision in the older Act also requires to be changed.

I do hope that with the experience of the working of the new amended Act, if necessary Government will come forward and expand the scope of the Act itself so as to create an all-India body, a co-ordinating authority, because there is agreat deal in common between dock labour in all the ports of India As it is an important section of labour, I submit everything requires to be done to see that this section, which truly earns its money with the sweat of its brow, gets a fair deal. I hope Government will look into this matter.

Dr. Melkote (Raichur): I welcome the Bill. It does not need a very long speech. I would like to make just one or two points.

The Indian National Trade Union Congress has been demanding the formation of such Boards for quite a number of years. In the beginning, somewhere about 1948 and till about 1952, dock labour was chiefly in the hands of the non-nationalistic union workers, and it was they who came in the way of the formation of such Boards. Now that many of these dock labourers have passed into the hands of the Indian National Trade Union Congress, they feel that it has been delayed. The delay has been rather unfortunate. They would have welcomed the formation of such Boards a long time back.

15.12 hrs.

[SHRI MULCHAND DUBE *in the Chair*]

Even so, that the Bill has been brought in at this juncture is a most welcome thing.

With regard to the financial implications of these things, I personally feel that as in other cases wherever labour is involved—here dock labour is involved—the other side, that is, the shipping companies, should bear these expenses. The labourer himself may pay a small sum for registration. But that will not meet the expenses. The formation of such Boards helps the shipping companies very much. Therefore, I feel that a part at least of the finances should come from these shipping companies, apart from any finance that may be made available through Government sources.

The formation of labour exchanges is another thing that is necessary. In the past, these dock workers had been put to a good deal of trouble whenever there was a strike and otherwise. There has been a demand by these dock labourers that those people who had put in regular service for certain years should be absorbed as permanent workers. I therefore feel that employment exchanges of that type which would regulate the coming in of these workers in the proper way are a great necessity.

These are the two or three points I wanted to make. I welcome the Bill.

Shri S. M. Banerjee: While welcoming this Bill, I must say that the conditions of the dock workers in certain docks and the growing corruption in various docks should have been taken note of by the hon. Deputy Minister. In this House, after the publications of the R. L. Mehta Committee's Report, questions after questions were raised as to why all the recommendations made in that Report were not implemented. I would like to know from the hon. Deputy Minister whether the recommendations in the Report have been implemented *in toto*, or if there are any recommendations not yet implemented, what are the reasons for not implementing them.

When discussing this particular piece of legislation, we get an opportunity to review the working conditions and housing conditions of dock workers in the country. As regards the Dock Labour Board in Madras, I must congratulate the members who took keen interest in having a housing scheme there. I have seen some of those houses and if more effort is made, I must say that the housing conditions will improve. My feeling is that the Dock Labour Boards in Calcutta, Bombay and other places must give priority to housing conditions. Take, for instance, Calcutta. I do not know whether the hon. Deputy Minister has visited those areas where dock workers live. I am sure, knowing him as I do, he would have visited them. The condition in which they live excites more horror than pity. I must say that the Dock Labour Board in Calcutta has completely failed to carry out its duties.

The question is about selection of personnel to serve on the Board. My hon. friend, Shri Indrajit Gupta, has pointed out that there should be a proper basis for selection of members to serve on the Board. It should not be left to a particular man or group of persons, and the labour organisations must be taken into confidence. It is not only the INTUC alone that is there. After all, there are other unions in various places which do control a majority of the dock workers. On book, INTUC might be controlling them. I am told that in Calcutta, the majority union belongs not to INTUC but to somebody else.

Shri Abid Ali: To whom?

Shri S. M. Banerjee: I think he knows.

Shri Abid Ali: To whom, according to the hon. Member?

Shri S. M. Banerjee: To somebody else, not to the Communist Party, if he is allergic to that.

Shri Abid Ali: Let him name it, if he knows.

Shri S. M. Banerjee: There were certain demands made by the shipping department and painting department and a strike took place. It was impossible for the INTUC to call off the strike. It is some other leaders who took courage in calling off the strike. That particular strike was justified in the sense that the recommendations of the Mehta Committee were not implemented. Many recommendations have not been implemented and there are not sufficient reasons justifying their non-implementation.

Then the question comes about recruitment. The recruitment policy or method of recruitment may change after bringing into force the legislation or the various rules. I welcome this. But there is a lot of corruption going on at the place of recruitment. A worker who is being recruited must pay something in advance and then pay in instalments after getting his salary on

[Shri S. M. Banerjee]

recruitment. This sort of corruption cannot go on unabated and unchecked. I would request the hon. Deputy Minister to kindly throw some light on this and say what steps have been taken to check this growing corruption in the matter of recruitment of dock labour.

Something has been said by my hon. friend, Shri Indrajit Gupta, about decasualisation. What is the total number of casual workers? I would also like to know as to how many years they worked as casual labour. In other departments of Government like defence and Railways, this particular scheme of decasualisation has worked very effectively. For instance, in Defence, anybody who has completed six months' service is regularised. The total number of casual employees which was about 13,000 has now been reduced to just 2,500. This is also being eliminated after the completion of six months service. I must know whether the scheme of decasualisation is being pursued vigorously. What is the basis of the decasualisation scheme?

As I have already said, the question of corruption, especially at the time of recruitment ,should be looked into and the evil avoided.

I am fully in agreement with my hon. friend, Shri Indrajit Gupta, who said that the stevedore system must be abolished. We are trying to abolish middlemen from every phase of life. So why should there be this category of middlemen? What is their actual work? It has been proved in this very House that if the system is abolished, Government are going to be benefited by crores of rupees. At this hour when we need a huge amount for the success of our Third Five Year Plan, we can realise a huge amount by abolishing the stevedore system. Last year when I spoke, I gave certain figures as to how much can be had after abolishing this stevedore system.

So I want to know from the hon. Deputy Minister about the various recommendations of the R. L. Mehta Committee, about the various recommendations of the Jeejeebhoy Committee and the Chowdhury Commission. If the recommendations of all these bodies have been implemented, I have no grouse, but this constant source of trouble in our docks must come to an end, and this partisan spirit of the Labour Ministry towards a particular union or unions must come to an end.

Shrimati Ila Palchoudhuri (Nabadwip): If all the people work in the docks, the trouble would come to an end.

Shri S. M. Banerjee: I do not know about the Calcutta docks, but I know something about docks. I doubt very much whether she knows something about docks.

Shrimati Ila Palchoudhuri: I do.

Shri S. M. Banerjee: I am glad. She must be knowing very much. I appreciate her knowledge ,but her knowledge may be limited, and I do not pretend to be a walking encyclopaedia like her.

So, I would like the hon. Deputy Minister to throw some light on the questions I have posed.

Once again I welcome this Bill, and I seriously and emphatically demand the abolition of this most hated stevedore system which has become actually the most corrupt system and a house of corruption.

Shri Abid Ali: Hon. Members who have taken the trouble of making some observations from the opposite benches perhaps could have been of some help to us and to dock workers if they had been able to spare some time to go through the Act and the various schemes under which these boards are working. They have, of course, read the amending Bill, but from the points which they were trying to make, it was evident that they were very much unaware of the provisions of the parent Act.

I appreciate their difficulty because none of the friends who have spoken is connected with dock workers. General phrases like corruption, misuse of funds, maladministration etc., which they are accustomed to use, were utilised here, but when I asked the hon. Member who has just spoken to tell me which union in Calcutta had the support of a larger number of workers when he said it was not the INTUC, he could not mention. It is evident that he does not know it, and the fact is that in the Calcutta Board it is not the INTUC which is representing all the workers. There is another union also.

Very much has been said with regard to the selection of labour representatives on these boards. There is a system, a method which has already been adopted, and which is being followed, the same system which gave membership on the Jute Wage Board to the hon. Member from Calcutta who spoke first, the same method by which nominees of the AITUC have been appointed on the Coffee Wage Board. There are only two members representing labour on the Coffee Wage Board, and they are nominees of the AITUC. The AITUC could get nominations on the Coffee Wage Board because the membership of the unions affiliated to it entitled it to nominate its representatives, but if the AITUC has no membership in any particular industry, certainly I cannot force their nominees to represent the workers in that particular industry.

Shri Indrajit Gupta: Who asked you?

Shri Abid Ali: So, one should first deserve and then desire. When the hon. Member was absent, his colleague there made a complaint that it was the INTUC which was being favoured by the administration. I am saying that it is entirely incorrect information. I am explaining that it is the same method, which is applicable to the whole country.

We have formulated a procedure and a yearly verification of the memberships of trade union organisations is conducted with the co-operation and active support of all the four central trade union organisations in the country. The figures are shown to them, their preliminary objections and final objections are invited, and the lists which are circulated about the verified membership of the unions are based on the approval of the representatives of these four organisations. And this nomination is also based on that. Then, where is the room for complaint, to go to the extent of saying that we are favouring a particular organisation? That is highly unfair, and in fairness to themselves I feel that next time this charge will not be repeated.

With regard to the Mehta Committee Report etc., I may again submit that the hon. Member has mixed the dock labour board with the administrative body. There was never any action arising out of that committee report to be taken against the dock labour board itself. No notice was given to the dock labour board. The administrative body was served with notice and its explanation was sought. It promised to improve matters. Time was given to it, and certainly those who are connected with dock workers and the administration of the board and the administrative body and know about their working will themselves admit that there has been considerable improvement. We wanted to suspend the administrative body, but as improvement was noticed, it was not removed.

With regard to the charge that it is the same dock labour board which was criticised by Mr. Mehta, that is also incorrect. That board ceased to function, and a new board has come into—

[Shri Abid Ali]

existence. It has been reconsituted in 1960.

Shri Indrajit Gupta: With the same members as before.

Shri Abid Ali: There is no question of members. The Act recognises a procedure, and that has been followed. Employers have been asked to make their recommendations; employees' organisations have been asked to submit their recommendations. The third group is Government, and Government also can appoint its nominees as it likes. Now, the hon. Member is shifting the ground. First he said it was the same board. I say it is not. Therefore, I say the charge is unfounded.

With regard to defalcation and misuse of funds, these phrases are very common, but are misplaced here, because the workers do not lose a pie. The system is that whatever amount is spent through this board is to be recovered from the shippers. There is a levy. If the stevedores have paid some amount and recovered from the board, to that extent the shippers have to pay more. Whether they take it through the board or take it from the shippers is immaterial so far as the workers are concerned. In this particular matter, the workers are not losers, not to the extent of one *naya paisa*. So far as some securities were deposited for taking a loan, these have been taken back and everything has been regularised. Audit has been started, and there is the audit report. Objections of course, are there. There will be objections whenever there is a big organisation.

The hon. Member from East Khandesh was very much worried about expenses where they would come from, who would contribute etc. He does not know anything about it. The income of the Bombay Board is about Rs. 41.50 lakhs and expenditure Rs. 38 lakhs, that of the Calcutta Board about Rs. 132.88 and Rs. 110 lakhs respectively, that of the Madras Board, which is of course smaller, Rs. 13 and Rs. 10 lakhs respectively. The result shows that their income is more than the expenditure and their working has been, to a great extent, satisfactory; it may not be perefect in every respect, but sincere and successful attempts have been made, are being made and will be made to ensure justice to the worker and a proper, efficient and honest administration. That is the attempt which is being made, and it is successful to a great extent.

With regard to the Deputy Chairman a doubt was raised that in case he is appointed he would be an officer of Government. If Government feels that during a particular period, when the Board was not doing its work properly, this officer was associated with it and that his being there would not improve matters to the extent we want it to improve, we may change him.

About listing also the difficulty of the hon. Member can be appreciated because he is not connected with the working of this particular industry. Already, nearly 5,000 workers have been listed in Calcutta itself besides the original listing arrangement. In Calcutta there are 11,000 registered workers and 5,000 listed workers. (*Interruption*). It is very recent.

Shri Indrajit Gupta: They are listed; they are not registered.

Shri Abid Ali: The hon. Member should know the difference between the two and the difficulties about it. Very recently, in addition to these 11,000 registered and 5,000 listed workers, more work has been done.

Then, with regard to the employers' monopoly. There are two associations. If all the stevedores who are qualified to be recognised as such have two associations we cannot help it.

Shri Indrajit Gupta: It is not what I said; it is what Mr. Mehta has said.

Shri Abid Ali: The stevedores have to be first licensed by the Port Trust.

Once the Port Trust gives a particular firm the licence to act as stevedores, then the Dock Labour Board will give that firm registration. The man should exist first and get a licence and then only he can get registration.

One of the purposes of this amendment is the recovery of the registration fee, which they are paying at present. But we are advised that the law is silent on that point; and, therefore, it has now been inserted in the Act.

With regard to Employment Exchange and other suggestions made by the hon. Member from East Khandesh I may say that one of the functions of this Board is to act as an employment exchange also. It supplies labour whenever necessary. What else does the employment exchange do? These workers are registered; they are listed.

About recruitment some complaint was made. Where is recruitment? We have not been able to give full employment to all the workers already listed and registered. We are not taking new workers. A question arose about reducing; and, therefore, some adjustment was made. When the question arose of introducing this scheme in Cochin a large number of workers had to be sent away. There was no question of taking more workers. Formerly, a large number of workers were working in these docks and ports and they were having small earnings. After this scheme came into force, their employment is regularised and everyone is assured of a reasonable amount.

With regard to registered workers not getting work on a particular day, when they appear at the call stand, they are given disappointment money, as it is called. They have appeared but there is no work. Therefore, some amount should be given to them for subsistence.

With regard to the other suggestions about co-ordination and so on, that is exactly the function of the Advisory Board. Every Dock Labour Board will have nominees on this Advisory Board. It will be an All-India body. These items will be taken care of there. It is not necessary to have any provision for it in the Act because when we, as government, convene a meeting of the representatives of the various boards functioning in the country, we have some commitment and whatever is decided there is to be implemented, not to be put just in the air.

Some complaint was made about the hospitals. Of course, in the early stages, it was not functioning for some time. But now it has 44 beds and about 400 to 500 persons are served every day through its out-patient department.

With regard to housing also-I do not say that it has been fully taken care of—some beginning has been made.

Shri Indrajit Gupta: Not in Calcutta.

Shri Abid Ali: And, when the hon. Member next goes to Bombay, he can see that magnificent building, airy, well-ventilated, in a nice place, and healthy in which some of the workers in this industry are living. For Calcutta and other places also attempts are being made to have housing facilities. But everything has to be according to the general condition prevailing in the country. It cannot be that just one section is given 100 per cent housing facilities while others have none. So, a level has to be there for every industry and prosperity is to spread every where. It cannot be monopolised by any one section.

The question about the implementation of the Mehta Committee's report was raised. I have already said something about that. I may clarify it further by saying that all the items which were to be implemented by the Dock Labour Board and by the administrative body, most of them, have been implemented. So far as government is concerned, we have also done all that was necessary.

This particular amending Bill has not come only out of the Mehta Com-

[Shri Abid Ali]

mittee's report. But it is the result of the experience gained by the working of the various schemes all over the country. We felt that these changes were necessary; and, therefore, we have brought this amending Bill.

It is not as if the Government have not got some of these powers. The hon. Member said that notice was given by the Government to the Calcutta organisation calling upon it to explain why it should not be superseded. That is the administrative body. So, we have the power. But these are further clarified and amplified with a view to making these schemes work more satisfactorily.

Fortunately, at present, there is no complaint from any other section; even from Calcutta there is no complaint at present. But on the basis of experience gained, on the basis of the report, we felt that we may amend the Act as suggested. It was suggested that, perhaps, in future it may be necessary to use these powers. I wish it should not become necessary.

Even in Calcutta Board, the number of workers' representatives from the INTUC is small. There is an independent union, and another affiliated to the United Trade Union Congress. The number of INTUC representatives in Calcutta Board may be comparatively smaller or may not be equal to the other one. It is from memory that I am speaking. To the extent the INTUC has got membership, it has got representation. Independent unions are also there. The organisation affiliated to the UTUC is also there. So, the hon. friends opposite who have made these charges will be convinced that it is a matter of routine and what they feel is not correct, to a great extent.

Mr. Chairman I think I have covered all the points and request that the Bill may be taken into consideration.

Mr. Chairman: The question is:

"That the Bill further to amend the Dock Workers (Regulation of Employment) Act, 1948, be taken into consideration."

The motion was adopted.

Mr. Chairman: The question is:

"Clauses 2 to 7 stand part of the Bill."

The motion was adopted.

Clauses 2 to 7 were added to the Bill.

Clause 1 and Enacting Formula

Mr. Chairman: There are two formal amendments, one to clause 1 and the other to the Enacting Formula.

(*Amendments made*)

Page 1, line 1,—

for "Twelfth Year" *substitute*—"Thirteenth Year". (1)

Page 1, line 4,—

for "1961" *substitute* "1962". (2)

(*Shri Abid Ali*)

Mr. Chairman: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Mr. Chairman: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

Mr. Chairman: The question is:

"That the Long Title stand part of the Bill."

The motion was adopted.

The Long Title was added to the Bill.

Shri Abid Ali: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

15·43 hrs.

INDIAN RAILWAYS (SECOND AMENDMENT) BILL

The Deputy Minister of Railways (Shri S. V. Ramaswamy): Mr. Chairman, I beg to move:*

> "That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

This Bill deals with five sections of the Indian Railways Act: 82 (a), 82 (h), 126, 127 and 128.

[SHRI HEDA *in the Chair*]

The existing section 82 (A) provides that the liability of a railway administration to persons involved in accidents to trains carrying passengers shall in no case exceed Rs. 10,000 in respect of any one person. Before the existing provisions of the law came into force in 1943, there was no upper limit to the amount of compensation payable but no compensation was payable to those injured or to the dependents of those killed in train accidents except in the case of accidents attributable to the negligence on the part of the Railway Administration or its servants. Considerable hardship was caused in consequence, particularly amongst passengers of limited means, as those injured and dependents of those killed in accidents not attributable to the negligence of Railway but due to reasons such as acts of God, sabotage, etc. were unable to obtain compensation. Also it was considered that passengers of limited means found it difficult to file suits and obtain compensation as litigation was both an expensive and prolonged process. It was mainly to remedy these hardships that the Indian Railways Act was amended in 1943 so as to make the Railways liable to pay compensation in all cases of accidents to trains carrying passengers, whether attributable to the regligence of Railways or not. At the same time liability of railways in such cases was limited to a sum of Rs. 10,000 in the case of any one person, as mentioned above.

The ceiling of Rs. 10,000 seems to have been based on the maximum permissible limit under the Workmen's Compensation Act which was then Rs. 5,600 to which 25 per cent was added to allow for damage to luggage, making a figure of Rs. 7,000. Later when the Bill went to the Select Committee, as a result of their recommendation, it was raised and fixed at Rs. 10,000. By the amendment to section 82 (A) it is proposed to increase this maximum from Rs. 10,000 to Rs. 20,000 in respect of any one person. The present limit of Rs. 10,000 was fixed long ago in 1943. Since then there have been great increases in the cost of living and *per capita* income. The rise in cost of living, as reflected in the general index number of wholesale prices in India has been of the order of a little over 100 per cent since 1943, as against the consumer price index of over 71 per cent since 1944 and the *per capita* net out-put which has risen since 1948 by about 19 per cent. At present compensation is paid based on a schedule notified under the powers given to the Central Government under Section 82 (j) (2) (iii) of the Indian Railways Act. The rate

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*Moved with the recommendation of the President.

[Shri S. V. Ramaswamy]

of compensation depends on the monthly income of the person concerned. According to this schedule, those with a monthly income exceeding Rs. 1,00 cannot, under any circumstances get more than Rs. 10,000 as compensation In the light of the rapid economic development and rise in incomes in the country, the present limit of Rs. 10,000 is onsidered out of date, Raising it to Rs. 20,000 is expected to provide relief to the income groups exceeding Rs. 1,000. Taking all the above aspects into account, it is considered realistic to raise it to Rs. 20,000.

Along with the increase in the maximum limit of compensation, it is proposed separately to revise the existing schedule at which compensation is payable, generally providing a liberal increase in the case of persons belonging to lower income groups. The proposed schedule provides for changes both relating to income groups and the rate of compensation. In the new schedule, it is proposed to reduce the number of income groups at the lower level. The revision is intended to benefit the lower income groups and avoid the need for maticulous calculations of incomes with consequential delays in their determination as would be required under the old larger number of income groups. In prescribing the rates of schedule for the new income groups, the proposed revision of the present schedule of Compensation under the Workmen's Compensation Act has been taken into account. After the amending Bill is passed by the Parliament, action to issue a suitable notification under section 82 (J) of the Indian Railways Act, revising the existing schedule will be taken and laid on the Table of the House bringing the new schedule into effect. The amendment normally will have only prospetive effect.

As a result of raising the maximum limit of compensation and revising the schedule of compensation providing for increased compensation, it is expected that it may involve an additional expenditure of Rs. 8 lakhs per annum, that is, an expenditure of Rs. 15·3 lakhs as against Rs. 5·5 lakhs at present. The total amount payable is estimated to be more than double because for the lower income groups the proposed compensation will be much more than double. That is with regard to 82 (a).

At present section 82 (h) of the Indian Railways Act provides that the right to claim compensation under section 82 (a) does not affect the right to claim compensation under other laws like the Workmen's Compensation Act, the Fatal Accidents Act and the General Law of Torts. From the records there is indication that initially it was not the intention, except perhaps in the case of workmen, to provide for more than one remedy. The present form of the statute seems to have emerged after consideration of the Bill by a Select Committee. It is opined that claims may now be made for compensation under the Railways Act as well as under the Workmen's Compensation Act or any other law in respect of the same accident. *Prima facie*, there appears to be no reason why compensation should be paid by Government in respect of the same accident under more than one law, especially when the railways have assumed liability irrespective of the consideration whether there is negligence on the part of the railways or not and also when the maximum limit of liability is to be increased to Rs. 20,000. It is, therefore, proposed to restrict a person's right to claim compensation under only one law.

Then I come to the other three sections—sections 126, 127 and 128. These sections deal with the dangerous activities activities endangering the persons travelling by trains. During recent years, a large number of cases of tampering with the railway track either for personal gain, mischief or as a wilful act of wrecking the railway train have been reported. Even during any public agitation, the railways form an easy target of attack for the ventilation of grievances, real or imaginary, or for causing interruption to the means of communication by the undesirable elements of society. Even if an act of sabotage does not actually result in a fatal accident, the attempt implies danger to human life and a person found guilty of such a crime deserves to be delt with severely. The Commission of Enquiry appointed to enquire into the serious accident to No. I Down Bombay-Calcutta Mail on the night of 23rd November, 1957 between Padali and Asvali stations on the Central Railway have *inter alia* recommended special legislation to provide deterrent penalties to those found guilty of attempts at train wrecking.

Although the existing statute provides for imprisonment for a term extending to ten years or even transportation for life to the criminals found responsible for wrecking a train, yet, in actual practice, it is observed that the culprits have been let off with light punishments which have not proved to be deterrent. Such criminals are unlikely to be deterred at present from repeating their depredations which endanger lives of a number of innocent people travelling by the trains. The awarding of adequate punishment to such elements has thus become a necessity.

To achieve this end, a minimum punishment of three years in the case of first conviction and for not less than seven years in the case of subsequent or repeated offence is proposed to be made under section 126 of the Act.

The cognate section 128 is also likewise proposed to be amended by providing a minimum of six months in the case of first conviction and not less than two years for subsequent or repeated offence with a maximum of five years in all the cases.

It is not the intention to impose a restriction on the discretion of the judiciary. As such it is proposed to provide for the courts awarding a lesser penalty in deserving cases for reasons to be recorded in writing for doing so.

Sir, I move that the Bill be taken into consideration.

Mr. Chairman: Motion moved:

> "That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration.'

Shri S. M. Banerjee (Kanpur): Mr. Chairman, Sir, I rise to support the Bill, and I am happy that the compensation has been raised from Rs. 10,000 to Rs. 20,000 on the basis of the cost of living. But I would like to know from the hon. Deputy Minister, one thing. During 1961, especially in the month of October—from 1st October to 31st October, 1961—there had been 171 minor and mojor accidents including those in the railways. There had been 82 casualties and loss of life, and about 325—I am speaking subject to correction—had sustained serious injuries. The compensation paid was only Rs. 35,000. Since many people have suffered due to the Ghatsila accident, and since there was another big accident near Farrukhabad, I would like to know how the compensation will be paid and what will be the date of effect to these proposals, after the passage of this Bill and after it is assented to by the President. I want to know whether rules will be framed and also orders passed for the implementation of these measures, when this Bill becomes an Act, and whether this will cover all these cases of accidents, especially those of 1961. I ask this because the cost of living index rises not suddenly. It did not rise suddenly in 1962 or by the end of 1961. There had been a steady rise, and in certain months there was abnormal rise in the cost of living index since the last two years. The Reserve Bank's bulletin will show that there had been a steady rise of about ten points last year and the average has become 124 and not 125. I do not know whether, it will become 125 later on, if you take into account two or three months of 1962. I would like to know what will be the basis of paying the compensation to those unfortunate people who lost their lives

[Shri S. M. Banerjee]

through no fault of their own. Those were grim incidents or accidents and I know that the Deputy Minister of Railways expressed with sadness the sad failure of the human machinery or that it was an act of sabotage. After a discussion, it was found,—not by an enquiry but by the facts that hon. Members had—here in this House that this was not an act of sabotage. We colud not feel that this was an act of sabotage. I do not know whether the enquiry has been completed in respect of all these accidents. I am happy that after all these major accidents, a committee has been appointed with some of the Members of this House and also some experts, to find out the ways to minimise the accidents.

I really could not know how this approximate amount of Rs. 8 lakhs has been assessed for meeting the compensation arising out of the accidents. Do we anticipate accidents? What is the average number of accidents that we anticipate? The amount may be Rs. 8 lakhs or Rs. 14 lakhs. The hon. Minister said that the average could be Rs. 8 lakhs per annum—I am speaking subject to correction. It was quite clear to me that there were going to be accidents. It is known that despite all our efforts, accidents could not be avoided. So, if he says that this amount is going to be required for the subsequent years also, he should not have said this on the floor of the House, because this gives an impression that merely for accidents which are anticipated, we are keeping some amounts. We cannot keep such amounts in anticipation. After all, the amount is sanctioned from out of the consolidated fund. An *ad hoc* payment is made just after the enquiry. I would like to know what is the condition of those passengers who are mercilessly beaten or who are killed during the train journeys. After all, whose fault is this? The hon. Deputy Minister will say that it is the duty of the State Governments to maintain law and order. But the train is passing over the land of so many States-Uttar Pradesh, Bihar or any other State. The passenger is killed in the train or around it, during an accident. The point is whether he will be entitled to compensation or not. It is a very serious matter which is engaging the minds of all those passengers who travel today and run the risk of being killed or looted in the various railways.

Recently, a memorandum was sent to me by the son of a railway employee who was working in Muradnagar. I think he was a booking clerk or something else. I do not remember. When he was going to Muradnagar from Delhi, he was just brutally murdered in a second class compartment in the lavatory. I do not know whether he has been paid compensation. A letter was sent by the railway administration to his widow and his son—his son is working in the Muradnagar ordnance factory—saying that his father was not on duty. Muradnagar is a very small place and people generally come to Delhi for things which they connot get there. Particularly, a railway employee generally comes to Delhi, because he has a pass. So, he had some money with him and just to snatch away that money, he was brutally murdered. I am really sorry if his wife has not been paid compensation.

16 hrs.

Then, I would like to know what amount has been paid to the family members of the late Shri K Rama Rao. In the last session, it was said that some compensation was being paid. I still feel and maintain that Shri Rama Rao would not have been killed had there been a proper chain in the train. It was at the instance of the railway administration that the chains were blanked off. Mr. Speaker, who was in the Chair, allowed a dicussion on this and said that merely because some people pull the chain unnecessarily, the chains should not be blanked off. I want to ascertain from the Deputy Minister whether chains have been restored in all the trains and what compensation was paid to Shri Rama Rao.

About punishment, all people who indulge in sabotage should be punished. This country should not have any place for saboteurs who play with the lives of innocent railway passengers, sitting or sleeping, who do not know anything and who suddenly meet with this fate. There were certain old cases—for instance, the explosion in Pathankot. At that time, it was suspected—and the Minister did not rule it out—that it was an act of sabotage by some foreign agents. I want to know what happened to that case. I want to know whether in these inquiries, any case of sabotage has been brought to the notice of the Minister.

16.03 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

I support this Bill and I would request the Deputy Minister to see that the accidents which occurred in 1961 are covered under this. A maximum number of people died in serious accidents. Their family members should get the compensation of Rs. 20,000 and not Rs. 10,000.

With these words, I support this Bill and I would request the Minister to accept my suggestion. I am sorry I could not move any amendment, because I was not here. There have been so many accidents in October, 1961 specially—170 in all—in which 83 people were killed, speaking subject to correction and 300 injured and the amount of compensation paid was only Rs. 35,000. Purely from humanitarian considerations, they should be paid compensation under the new rate. I would request the Minister to accept this suggestion, which is non-controversial and which is going to help the families of those who lost their lives.

Shri Oza (Zalawad): I support the Bill as far as it goes. It is good that the Government thought it fit to raise the amount from Rs. 10,000 to Rs. 20,000. But to my mind, it is not yet adequate and they should have thought it fit to raise it to Rs. 30,000. I know of an accident which took place two years back in my own place and nearly 35 passengers were killed. They included first class, second class and third class passengers. Although their relatives were not able to take advantage of the existing provision under section 82A, the compensation offered was so inadequate that they had to resort to other remedies. If this Bill had been passed long before, as it ought to have been, those people would not have been driven from pillar to post.

As has been pointed out, the cost of living index has gone up very high and if an earning member is lost to the family, no amount of money can adequately compensate the loss. But still, in terms of money, Rs. 10,000 was too ridiculous and it is good that the Government has thought it fit to raise it to Rs. 20,000. I hope at the next opportunity, they will reconsider the whole thing and keep the figure at its proper level.

About the provisions amending the penal sections, they are also very welcome. We know that accidents take place not because of any defect in the track, but because of some human agency. Either it is neglect on the part of railway servants or it is an act of sabotage. Both acts of commission and omission require to be severely dealt with. They are highly anti-social. We know of certain cases in which some people commit this act of sabotage in order to draw the attenton of the community or some group of persons to their alleged grievances. At that time perhaps they are not conscious of the fact that they are endangering the lives of so many innocent persons. So, it is good that these sections have been amended so as to make the punishment very severe. I hope that the railway department will publicise these things adequately and properly, so that those persons who lightly deal with these things and commit these acts are made conscious that they will be severely dealt with if they try to tamper with

[Shri Oza]

the railways, resulting in fatal accidents.

On the whole I support this Bill.

Shri S. V. Ramaswamy: Mr. Deputy-Speaker, Sir, I thank the hon. Members for giving their support to this Bill. Shri Banerjee raised certain points. He wanted to know the rates of compensation that would be applicable to accidents that occurred in 1961. Normally, in suh matters, it is always prospetive and not retrospective. The new rates come into operation only after the Bill is passed by the Parliament.

Shri S. M. Banerjee: In cases where the inquiry is pending and the compensation has not been finalised, but is only provisional, will it be finally fixed under the new rate?

Shri S. V. Ramaswamy: As I said, the normal rule is that Bills are prospective and not retrospective, unless Parliament chooses to make it retrospective. In this case, the new rates are to come into operation after the Bill becomes an Act. Therefore, I submit that the new rates will be prospective and not retrospective, unless the Parliament chooses to do otherwise.

My friend was referring to the index figure being high. At this stage, I submit that in prescribing the rates of schedule for the new income groups, the proposed revision of the present schedule of compensation under the Workmen's Compensation Act has been taken into account. The Ministry of Labour propose to double the existing rates of compensation and also to make the Workmen's Compensation Act rates applicable to those drawing a monthly income of Rs. 500 instead of Rs. 400 as at present.

The proposed schedule of the Indian Railways Act provides more liberal scales of compensation than even the proposed Workmen's Compensation schedule for the lover income group. We are making it more liberal as I submitted than the Workmen's Compensation Act.

My hon. friend wanted to know how the figure of Rs. 8 lakhs has been arrived at. It is only a rough estimate. It is not that we want accidents to occur. Nobody wants any accident to happen at all. Every human life is precious. The life of even the poorest man in the country is precious. Nobody wants to be killed prematurely, untimely. Yet, with all our precautions, with all our care, attention and caution that we can take, accidents do happen, human nature being what it is.

Shri S. M. Banerjee: What I said was that we were not discussing the budget, as to what amounts should be kept apart for accidents and so on. I was only thinking that when we were discussing the question of raising the compensation, there was no necessity to say that the estimated expenditure on accidents would be Rs. 8 lakhs.

Mr. Deputy-Speaker: Order, order.

Shri S. M. Banerjee: I was only making a submission.

Mr. Deputy-Speaker: Order, order. But he should allow the Chair to exercise its discretion.

Shri S. V. Ramaswamy: Perhaps the House would like to know whether the increase in compensation involves a large amount. I was only giving a rough idea as to what it would mean if the rates are increased; nothing more than that.

Then, Shri Banerjee was talking about murders in the train, people being killed etc. and he asked whether compensation would be paid in their cases. This Act deals with train accidents, that is, collisions between trains or such like things and not murders or injuries to persons while travelling.

An Hon. Member: They are accidents inside the trains.

Shri S. V. Ramaswamy: Killing is not an accident, unless my hon. friend wants to distort the meaning of the word "accident". It is specifically mentioned as "train accident" and a train accident is defined as collision between two trains and so on. Murder in the train or killing of passengers while they are proceeding from one place to another is not a train accident. Therefore, any such crime will not be attracted by these sections. That being a State matter, a matter of law and order, the persons injured or affected will have to pursue other remedies, remedies other than those provided for under this Act.

With regard to Dr. Rama Rao, the widow of Dr. Rama Rao was offered Rs. 2000 in cash. Rs. 10,000 was invested with the Life Insurance Corporation securing her an annuity of about Rs. 50 per month for the next 15 years. That is the provision that has been made.

As regards restoration of chains, we bowed to the view that was expressed in this House. The House was very keen that we should restore the chains. We have, as a matter of fact, restored the chains on a number of trains. But I am sorry to tell the House that the effect has not been to improve the running of trains. Still there is an enormous amount of chain-pulling, and we are sorry to say that the restoration of chains as was suggested by this hon. House has not brought about that result which the House expected. I hope better sense will prevail, and I hope that in those patches, in those areas where there is lawlessness, where there is this sort of anti-social behaviour, people will come to realise that chain pulling is a very vicious act and they should not resort to it.

With regard to sabotage, it is very difficult to find the saboteurs because they always do things in such a clever way that they leave no trace behind. All these things are done in the dead of night, in secret places, in places which are inaccessible, in forest areas and at places where nobody will see the saboteur. Therefore, is becomes very difficult to find out the culprit. I am afraid, in Pathankot we have not yet been able to find out the saboteur. I hope, Sir, the enhanced punishment that has been proposed will have a deterent effect on those who intend to indulge in these anti-social acts.

My hon. friend Shri Oza wanted to raise the compensation to Rs. 30,000. I submit that the proposal is related to what the Workmen's Compensation Act deals with. As I submitted earlier, our rates are much more liberal than even the schedule under the Workmen's Compensation Act. Therefore, for the present we should be content with this. I am thankful to the hon. Members for supporting the Bill

Mr. Deputy-Speaker: The question is:

> "That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: We shall now take up the Bill clause by clause. There are no amendments to the clauses. I shall put them together. The question is:

> "That clauses 2 to 6 stand part of the Bill."

The motion was adopted.

Clauses 2 to 6 were added to the Bill.

Clause 1—(Short Title).

Mr. Deputy-Speaker: There is a Government amendment to clause 1 of the Bill.

Amendments made

Page 1, lines 3 and 4,—

for "(Second Amendment)" *substitute*—"(Amendment)" (2)

Page 1, line 4,—

for "1961" *substitute* "1962" (3)

(*Shri S. V. Ramaswamy*).

Mr. Deputy-Speaker: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Mr. Deputy-Speaker: There is an amendment to the Enacting Formula also.

Amendment made

Page 1, line 1,—

for "Twelfth Year" *substitute*—

"Thirteenth Year"

(*Shri S. V. Ramaswamy*)

Mr. Deputy-Speaker: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Long Title was added to the Bill.

Shri S. V. Ramaswamy: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed.".

The motion was adopted.

16.18½ hrs.

BUSINESS ADVISORY COMMITTEE

SIXTY-EIGHTH REPORT

Shri Rane (Buldana): Sir, I beg to present the Sixty-eighth Report of the Business Advisory Committee.

Mr. Deputy-Speaker: The business of the day is over The House stands adjourned to meet again tomorrow at 11:00 A.M.

16:19 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on **Wednesday,** *March 14, 1962/Phalguna* **23, 1883** *(Saka).*

[*Tuesday, March* 13, 1962/*Phalguna* 22, 1883 (*Saka*)]

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The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru) made a statement correcting the answer to a question dated 13-3-62 reg. casualties in Goa Operation . .

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The following papers were laid on the Table:—

1) A copy of the Companies (Central Government's) General Rules and Forms (Fourth Amendment) Rules, 1961 published in Notification No. G.S.R. 1408, dated the 25th November, 1961, under sub-section (3) of section 642 of the Companies Act, 1956.

(2) A copy of the Textiles (Production by Handloom) Control Amendment Order, 1961 published in Notification No. S.O. 2820, dated the 2nd December, 1961, under sub-section (6) of section 3 of the Essential Commodities Act, 1955, together with an explanatory note.

(3) A copy of the Rubber (First Amendment) Rules, 1962 published in Notification No.

PAPERS LAID ON THE TABLE—*contd.*

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G.S.R. 206, dated the 17th February, 1962, under sub-(3) of section 25 of the Rubber Act, 1947.

(4) A copy of the Khadi and Village Industries Commission (Amendment) Rules, 1962 published in Notification No. G.S.R. 58, dated the 13th January, 1962, under sub-section (3) of section 26 of the Khadi and Village Industries Commission Act, 1956.

(5) A copy each of the following Notifications under sub-section (6) of section 3 of the Essential Commodities Act, 1955:—

(*a*) The Newsprint Control Order, 1962 published in Notification No. Ch. (I)-18(1)/62, dated the 17th January, 1962.

(*b*) Notification No. Ch. (1)-18(1)/62, dated the 20th January, 1962.

(6) A copy of the Central Silk Board (Amendment) Rules, 1962 published in Notification No. G.S.R. 205, dated the 17th February, 1962, under sub-section (3) of section 13 of the Central Silk Board Act, 1948.

(7) A copy each of the following papers under sub-section (2) of section 16 of the Tariff Commission Act, 1951:—

(*a*) Report (1961) of the Tariff Commission on the revision of the fair selling prices of caustic soda, chlorine, hydrochloric acid and bleaching powder . .

(*b*) Government Resolution No. CH(I)-15(41)/61, dated the 31st January, 1962

(8) A copy each of the following Notifications under section 30A of the Minimum Wages Act, 1948, making certain further amendments to the Minimum Wages (Central) Rules, 1950:—

(*a*) G.S.R. No. 1512, dated the 23rd December, 1961 .

PAPERS LAID ON THE TABLE—*contd.*

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(*b*) G.S.R. No. 213, dated the 17th February, 1962.

(9) A copy of Government Resolution No. WB-11(i)/61, dated the 5th January, 1962, setting up a Central Wage Board for the Iron and Steel Steel Industry.

(10) A copy of the recommendations of the Central Wage Board for Rubber Plantation Industry regarding the grant of interim increase in wages .

DEMANDS FOR SUPLEMENTARY GRANTS (GENERAL) 1961-62— 111

The Deputy Minister of Finance (Shri B. R. Bhagat) presented a statement of Demends for Supplementary Grants in respect of the Budget (General) for 1961-62.

DEMANDS FOR SUPPLEMENTARY GRANTS (RAILWAYS) 1961-62— 111

The Ministrer of Railways (Shri Jagjivan Ram) presented a statement of Demands for Supplementary Grants (Railways) in respect of the Budget (Railways) for 1961-62.

REPORT OF ESTIMATES COMMITTEE PRESENTED 111

Hundred and Forty-ninth Report was presented.

PRESENTATION OF RAILWAY BUDGET 1962-63. . 111—118

The Minister of Railways (Shri Jagjivan Ram) presented a statement of estimated receipts and expenditure of the Government of India for the year year 1962-63 in respect of Railways.

BILLS PASSED . . . 118—212

(*i*) The Deputy Minister of Finance (Shri B. R. Bhagat) moved for consideration of the State Financial Corporations (Amendment) Biil 1961. The motion was adopted. After clause-by-clause consideration the Bill, as amended, was passed.

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(ii) The Deputy Minister of Labour (Shri Abid Ali) moved for consideration of the Dock Workers (Regulation of Employment) Amendment) Bill. The motion was adopted. After clause-by-clause consideration the Bill, as amended, was passed . . . .

(iii) The Deputy Minister of Railways (Shri S. V. Ramaswamy) moved for consideration of the Indian Railways (Second Amendment) Bill, 1961. The motion was adopted. After clause-by-clause consideration the Bill, as amended, was passed .

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REPORT OF BUSINESS ADVISORY COMMITTEE PRESENTED . . 212

Sixty-eighth Report was presented.

AGENDA FOR WEDNESDAY, MARCH 14, 1962/ PHALGUNA 23, 1883 (SAKA)—

(i) Presentation of the Budget (General), 1962-63.

(ii) Consideration and passing of the Constitution (Twelfth) Amendment) Bill, 1962 and the Goa, Daman and Diu (Administration) Bill.

GMGIPND—LSII—1825(Ai)LS—27-3-62—900